

THURSDAY, JUNE 22, 2000
NINETY-SEVENTH LEGISLATIVE DAY

The House met at 9:30 a.m. and was called to order by Mr. Speaker Naifeh.

The proceedings were opened with prayer by Representative John DeBerry.

Representative John DeBerry led the House in the Pledge of Allegiance to the Flag.

ROLL CALL

The roll call was taken with the following results:

Present 94

Representatives present were: Armstrong, Arriola, Baird, Beavers, Bittle, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kisber, Langster, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 94.

EXCUSED

The Speaker announced that the following member(s) has/have been excused, pursuant to request(s) under **Rule No. 20**:

Representative Black; personal reasons.

Representative Gunnels; personal reasons

Representative Kerr; business reasons.

Representative Odom; business reasons.

SPONSORS ADDED

Under **Rule No. 43**, the following members were permitted to add their names as sponsors as indicated below, the prime sponsor of each having agreed to such addition:

House Bill No. 3010: Rep(s). Fraley, Hood and Eckles as prime sponsor(s).

ENROLLED BILLS

June 22, 2000

The following bill(s) have been compared, enrolled, and are ready for the signature(s) of the Speaker(s): House Joint Resolution(s) No(s). 620.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

SIGNED

June 22, 2000

The Speaker signed the following: House Joint Resolution(s) No(s). 620.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

MESSAGE FROM THE SENATE

June 22, 2000

MR. SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 620; signed by the Speaker.

RUSSELL HUMPHREY, Acting Chief Clerk.

REPORT OF CHIEF ENGROSSING CLERK

June 22, 2000

The following bill(s) have been transmitted to the Governor for his action: House Joint Resolution(s) No(s). 620.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

MESSAGE FROM THE GOVERNOR

June 22, 2000

MR. SPEAKER: I am directed by the Governor to return herewith: House Joint Resolution(s) No(s). 595, without his signature.

MICHELLE LONG, Counsel to the Governor.

RESOLUTIONS

June 22, 2000

Pursuant to **Rule No. 17**, the following resolution(s) was/were introduced and placed on the Consent Calendar for June 22, 2000:

House Joint Resolution No. 875 -- Memorials, Death - Grady Haynes. by *Hood, *Beavers, *Eckles, *Rinks.

House Joint Resolution No. 876 -- Memorials, Recognition - Grand Ole Opry, 75th Anniversary. by *Briley, *West, *Garrett, *Pruitt, *Jones, S., *Langster, *Hood, *McDonald, *Fowlkes, *Robinson, *Harwell.

House Joint Resolution No. 877 -- Memorials, Recognition - Renaissance Center. by *Ridgeway.

HOUSE BILLS ON SECOND CONSIDERATION

On motion, bills listed below passed second consideration and were referred by the Speaker to Committee or held on the Clerk's desk as noted:

House Bill No. 3368 -- Rutherford County -- Local Bill Held on House Desk

CONSENT CALENDAR

House Joint Resolution No. 875 -- Memorials, Death - Grady Haynes. by *Hood, *Beavers, *Eckles, *Rinks.

House Joint Resolution No. 876 -- Memorials, Recognition - Grand Ole Opry, 75th Anniversary. by *Briley, *West, *Garrett, *Pruitt, *Jones, S., *Langster, *Hood, *McDonald, *Fowlkes, *Robinson, *Harwell.

House Joint Resolution No. 877 -- Memorials, Recognition - Renaissance Center. by *Ridgeway.

Rep. Briley moved that all members voting aye on House Joint Resolution No. 876 be added as sponsors, which motion prevailed.

Pursuant to **Rule No. 50**, Rep. Phillips moved that all House Bills having companion Senate Bills and are on the Clerk's desk be conformed and substituted for the appropriate House Bill, all Senate and House Bills on the Consent Calendar be passed on third and final consideration, all House Resolutions and House Joint Resolutions be adopted, and all Senate Joint Resolutions on the Consent Calendar be concurred in, which motion prevailed by the following vote:

Ayes..... 93
Noes 0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kisber, Langster, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McMillan, Miller, Montgomery, Mumpower, Newton, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 93.

A motion to reconsider was tabled.

UNFINISHED BUSINESS

SPECIAL ORDER

Rep. Kisber moved to call up House Bill No. 3010 from the Clerk's desk, which motion prevailed.

***House Bill No. 3010** -- Taxes - Makes various changes to excise, franchise tax provisions Amends TCA Titles 12 and 67. by *Kisber. (SB3082 by *McNally, *Crowe, *Rochelle, *Fowler)

On motion, House Bill No. 3010 was made to conform with **Senate Bill No. 3082**; the Senate Bill was substituted for the House Bill.

Rep. Kisber moved that Senate Bill No. 3082 be passed on third and final consideration.

Rep. Kisber requested that Finance, Ways and Means Committee Amendment No. 1 be placed at the heel of the Amendments.

Rep. Kisber moved adoption of Amendment No. 2 as follows:

Amendment No. 2

AMEND Senate Bill No. 3082 by inserting the following new sections immediately before the effective date section and by renumbering the effective date section accordingly:

SECTION ____ Tennessee Code Annotated, Section 67-4-2109(c)(2), is amended by adding the following new subitem:

(G) If the business enterprise involves a required capital investment of in excess of one billion dollars (\$1,000,000,000) to be invested over a period not to exceed three (3) years from the date of filing of the first business plan relating to the business enterprise, and creates not less than one thousand (1000) full-time employee jobs with "full progression" or "top out" wages equal to or greater than one hundred fifty percent (150%) of Tennessee's average industrial wage for all manufacturing sectors as reported in the Monthly Labor Report published by the Tennessee Department of Labor and Workforce Development for the month of January of the year in which said full-time employee jobs are created, the credit allowed in subdivision (c)(2)(A) shall be five thousand dollars (\$5,000) for each net new full-time job created. For purposes of this subsection, the terms "full progression wage" and "top out wage" are synonymous and mean the wage that an employer assigns to a given job, to be obtained after a worker has completed all required training and experience in that job over an initial period not to exceed three (3) years.

For purposes of this subsection, the full-time employee jobs are deemed created when first filled by employees, not when said employees attain "full progression" or "top out" wage status. In addition to the tax credits allowed to the taxpayer under this subsection for the first tax year, all or a portion of the tax credits allowable under this subsection may also apply on an annual basis to offset taxpayer's franchise tax and excise tax liability under Title 67, Chapter 4 of the Tennessee Code Annotated for each tax year after the first tax year up to a total period not to exceed twenty (20) years, in which the full time employee jobs created by the required capital investment for which credits were originally issued remain filled by employees at wages equal to or greater than 150% of Tennessee's average industrial wage for all manufacturing sectors as reported in the Monthly Labor Report published by the Tennessee Department of Employment Security for the month of January of the tax year for which the credit is being taken, provided that the Commissioner of Economic and Community Development, with the written concurrence of the Comptroller, shall have determined that the location and nature of the capital investment is economically desirable and in the best interests of the citizens of this State, and shall have executed a writing specifying, for a given business enterprise, the maximum period for which the additional tax credits granted pursuant to this subsection will be allowed and the amount or percentage of additional tax credits that will be allowed from year to year after the first tax year during the specified maximum period. For purposes of this subsection, a required capital investment shall be deemed to have been made as of the date of payment or the date the business enterprise enters into a legally binding commitment or contract for purchase or construction. The three (3) year period for making the required capital investment and the three (3) year period after completion by a worker of initial training or probationary period provided for herein may be extended by the Commissioner of Economic and community Development for a reasonable period, not to exceed one (1) year, for good cause shown.

SECTION ___. Tennessee Code Annotated, Section 67-4-2109(c)(2), is amended by adding the following new subitem:

(H) If the business enterprise involves a required capital investment of in excess of five hundred million dollars (\$500,000,000), to be invested over a period not to exceed three (3) years from the filing of the first business plan relating to the business enterprise, and creates not less than one thousand (1000) full-time employee jobs with "full progression" or "top out" wages equal to or greater than one hundred fifty percent (150%) of Tennessee's average industrial wage for all manufacturing sectors as reported in the Monthly Labor Report published by the Tennessee Department of Employment Security for the month of January of the year in which said full-time employee jobs are created, the credit allowed in subdivision (c)(2)(A) shall be five thousand dollars (\$5,000) for each net new full-time job created. For purposes of this subsection, the terms "full progression wage" and "top out wage" are synonymous and mean the wage that an employer assigns to a given job, to be obtained after a worker has completed all required training and experience in that job over an initial period not to exceed three (3) years. For purposes of this subsection, the full-time employee jobs are deemed created when first filled by employees, not when said employees attain "full progression" or "top out" wage status.

For purposes of this subsection, a required capital investment shall be deemed to have been made as of the date of payment or the date the business enterprise enters into a legally binding commitment or contract for purchase or construction. The three (3) year period for making the required capital investment and the three (3) year period after completion by a worker of initial training or probationary period provided for herein may be extended by the Commissioner of Economic and Community Development for a reasonable period, not to exceed one (1) year, for good cause shown.

SECTION ____ Tennessee Code Annotated, Section 67-4-2108, is amended as follows:

(1) Subsection 67-4-2108(a)(1) is amended by adding the words "and exempt required capital investments" after the words "excluding exempt inventory".

(2) Subsection 67-4-2108(a)(6) is amended by adding the following subitem:

() "Exempt required capital investments" means two-thirds in value of all capital investments which are the basis for a taxpayer's entitlement to credits under § 67-4-2109(c)(2)(G) and § 67-4-2109(c)(2)(H).

SECTION ____ Tennessee Code Annotated, Title 67, Chapter 5, is amended by adding the following language as a new section in part 2:

Section ____ (a) Real and personal property used as a nonprofit family wellness center shall be exempt from property taxes as a charitable use of property if the center is owned and operated as provided in this section. "Family wellness center" means real and personal property used to provide physical exercise opportunities for children and adults. The property must be owned by a nonprofit corporation that is a charitable institution which (1) has as its historic sole purpose the provision of programs promoting physical, mental, and spiritual health, on a holistic basis without emphasizing one over another; (2) provides at least five (5) of the eight (8) following programs dedicated to the improvement of conditions in the community and to support for families: day care programs for preschool and school-aged children; team sports opportunities for youth and teens; leadership development for youth, teens, and adults; services for at-risk youth and teens; summer programs for at-risk and non-at-risk youth and teens; outreach and exercise programs for seniors; aquatic programs for all ages and skill levels; and services for disabled children and adults; and (3) provides all programs and services to those of all ages, incomes and abilities under a fee structure which reasonably accommodates persons of limited means and therefore ensures that ability to pay is not a consideration. The corporation must further meet the requirements of subsection (b).

(b) To qualify for exemption, the nonprofit corporation must first be exempt from federal income taxation as an exempt charitable organization under the provisions of Section 501(c)(3) of the Internal Revenue Code (U.S.C., title 26) and any amendments thereto. In addition, the nonprofit corporation shall provide that:

(1) The directors and officers shall serve without compensation beyond reasonable compensation for services performed;

(2) The corporation is dedicated to and operated exclusively for nonprofit purposes;

(3) No part of the income or the assets of the corporation shall be distributed to inure to the benefit of any individual;

(4) Upon liquidation or dissolution, all assets remaining after payment of the corporation's debts shall be conveyed or distributed only in accordance with the requirements applicable to a 501(c)(3) corporation.

(c) All claims for exemptions under this section are subject to the provisions of Tennessee Code Annotated, Section 67-5-212(b).

(d) Nothing in this section shall prevent property of the corporation other than wellness centers from qualifying under other provisions of law.

(e) Notwithstanding any provision of this act to the contrary, the provisions of this section shall take effect upon becoming a law, the public welfare requiring it, and shall apply to all matters pending before the board of equalization on the effective date of this act.

SECTION ____ Tennessee Code Annotated, Section 67-4-2008, is amended by adding the following as a new subdivision:

(8)(A) Any family-owned non-corporate entity where substantially all the activity of the entity is the production of passive investment income.

(B) For purposes of this subdivision (8):

(i) "Family-owned" means that all the ownership units of the entity are owned by members of the family, which means, with respect to an individual, only:

(a) an ancestor of such individual;

(b) the spouse or former spouse of such individual;

(c) a lineal descendent of such individual, of such individual's spouse or former spouse, or of a parent of such individual;

(d) the spouse or former spouse of any lineal descendent described in subdivision (c); or

(e) the estate or trust of a deceased individual who, while living, was as described in any of the above subdivisions.

For purposes of this subdivision (8), a legally adopted child of an individual shall be treated as the child of such individual by blood.

(ii) "Passive investment income" means gross receipts derived from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities to the extent of any gains therefrom.

SECTION ____ Tennessee Code Annotated, Section 67-4-2009, is amended by adding the following as a new, appropriately designated subdivision:

() A credit shall be allowed for each limited liability company against the tax imposed by this part in an amount equal to the amount that the limited liability company remits to the secretary of state with its annual report less twenty dollars (\$20).

On motion, Amendment No. 2 was adopted.

On motion, Rep. Kisber withdrew Finance, Ways and Means Committee Amendment No. 1.

THURSDAY, JUNE 22, 2000 — NINETY-SEVENTH LEGISLATIVE DAY

Rep. Kisber moved that **Senate Bill No. 3082**, as amended, be passed on third and final consideration, which motion prevailed by the following vote:

Ayes.....	93
Noes.....	0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Kent, Kernell, Kisber, Langster, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 93.

A motion to reconsider was tabled.

RESOLUTIONS

Pursuant to **Rule No. 17**, the following resolution(s) was/were introduced and placed on the Supplemental Consent Calendar for June 22, 2000:

House Resolution No. 259 -- Memorials, Professional Achievement - Ernest C. Withers, "Pictures Tell the Story.", by *Bowers.

House Resolution No. 293 -- Memorials, Personal Occasion - Mr. and Mrs. David Lee England, 50th Wedding Anniversary. by *Curtiss.

House Resolution No. 294 -- Memorials, Personal Occasion - Robert and Mildred Swindell, 50th Wedding Anniversary. by *Curtiss.

House Resolution No. 295 -- Memorials, Personal Occasion - William and Nancy Sellers, 50th wedding anniversary. by *Hood, *Eckles, *Beavers.

House Joint Resolution No. 878 -- Memorials, Recognition - Alvin C. York VA Medical Center, 60th Anniversary. by *Hood, *Eckles, *Beavers.

House Joint Resolution No. 879 -- Memorials, Recognition - Professor Patrick Doyle. by *Hood, *Eckles, *Beavers.

***House Joint Resolution No. 880** -- General Assembly, Statement of Intent or Position - Honors the memory of Kevin Longinotti and urges the Mayor and Council of Metropolitan Nashville-Davidson County to install a siren based emergency warning system. by *Chumney, *West.

House Joint Resolution No. 881 -- Memorials, Personal Achievement - Lori Ann Bradford, Author of the TN Middle Passage Monument. by *Brooks.

SUPPLEMENTAL CONSENT CALENDAR

House Resolution No. 259 -- Memorials, Professional Achievement - Ernest C. Withers, "Pictures Tell the Story." by *Bowers.

House Resolution No. 293 -- Memorials, Personal Occasion - Mr. and Mrs. David Lee England, 50th Wedding Anniversary. by *Curtiss.

House Resolution No. 294 -- Memorials, Personal Occasion - Robert and Mildred Swindell, 50th Wedding Anniversary. by *Curtiss.

House Resolution No. 295 -- Memorials, Personal Occasion - William and Nancy Sellers, 50th wedding anniversary. by *Hood, *Eckles, *Beavers.

House Joint Resolution No. 878 -- Memorials, Recognition - Alvin C. York VA Medical Center, 60th Anniversary. by *Hood, *Eckles, *Beavers.

House Joint Resolution No. 879 -- Memorials, Recognition - Professor Patrick Doyle. by *Hood, *Eckles, *Beavers.

***House Joint Resolution No. 880** -- General Assembly, Statement of Intent or Position - Honors the memory of Kevin Longinotti and urges the Mayor and Council of Metropolitan Nashville-Davidson County to install a siren based emergency warning system. by *Chumney, *West.

House Joint Resolution No. 881 -- Memorials, Personal Achievement - Lori Ann Bradford, Author of the TN Middle Passage Monument. by *Brooks.

OBJECTION -- CONSENT CALENDAR

Objection(s) was/were filed to the following on the Consent Calendar:

House Joint Resolution No. 880: by Rep. Hargrove

Under the rules, House Joint Resolution(s) No(s). 880 was/were placed at the foot of the calendar for June 27, 2000.

Pursuant to **Rule No. 50**, Rep. Phillips moved that all House Bills having companion Senate Bills and are on the Clerk's desk be conformed and substituted for the appropriate House Bill, all Senate and House Bills on the Supplemental Consent Calendar be passed on third and final consideration, all House Resolutions and House Joint Resolutions be adopted, and all Senate Joint Resolutions on the Supplemental Consent Calendar be concurred in, which motion prevailed by the following vote:

Ayes..... 93
Noes 0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kisber, Langster, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 93.

A motion to reconsider was tabled.

HOUSE ACTION ON SENATE MESSAGE

***House Bill No. 3364** — Public Funds and Financing - Increases taxes and fees and reallocates revenues. Amends TCA Title 9; Title 13; Title 29; Title 40; Title 54; Title 55; Title 57; Title 59; Title 67 and Title 68. by *Head, *Rinks, *Cole (Dyer), *Cole (Carter), *Kent, *Garrett, *Rhinehart. (SB3351 by *Cooper)

CONFERENCE COMMITTEE REPORT ON HOUSE BILL NO. 3364

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 3364 (Senate Bill No. 3351) has met and recommends that all House and all Senate amendments be deleted.

The Committee further recommends that the following amendment be adopted:

By deleting all sections following the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 13-23-402(a), is amended by deleting subdivisions (2) and (3) in their entirety.

SECTION 2. Tennessee Code Annotated, Section 29-13-116, is amended by adding the following new subsections:

(c) All expenses to administer the "Criminal Injuries Compensation Act of 1976" shall be paid from the criminal injuries compensation fund.

(d) Notwithstanding any provision of law to the contrary, the state treasurer is authorized to award a grant from the criminal injuries compensation fund to the district attorneys general conference for domestic violence and drug enforcement program operations in an amount not to exceed that specified in the general appropriations act each fiscal year.

SECTION 3. Tennessee Code Annotated, Section 59-1-116, is amended by designating the existing language as subsection (a) and by adding the following language as a new subsection (b):

(b) Notwithstanding the provisions of subsection (a), the commissioner of labor and workforce development shall increase the amount of the license fees charged under this section to the extent necessary to offset the reduction of the department's appropriation for mine licensing operations under the provisions of the general appropriations act for fiscal year 2000-2001.

SECTION 4. Tennessee Code Annotated, Section 67-3-2001, is amended by adding the following new subsection:

(k) Notwithstanding the provisions of Section 54-2-103 or any other law to the contrary, a percentage of funds collected and allocated to the state highway fund shall be deposited in the general fund as follows:

(1) If the statute allocating funds to the state highway fund earmarks two percent (2%) or more of the revenue collected for the general fund, no additional allocation to the general fund shall be made;

(2) If the statute allocating funds to the state highway fund earmarks less than two percent (2%) of the revenue collected for the general fund, an amount equal to the amount necessary when added to the statutory earmark, if any, equals two percent (2%) of the revenue collected shall be earmarked for the general fund;

(3) The allocation of funds as provided in this subsection shall not have an impact on any scheduled or ongoing construction projects; and

(4) The department of transportation shall submit any proposal for apportionment of costs resulting from the general fund allocation in this subsection to the state building commission for approval prior to implementing such proposal, including, but not limited to, the programs and projects to be affected and the amount proposed to be allocated to each such program or project. Except as provided in subdivision (3) of this subsection, it is the legislative intent that the effect of this subsection be allocated on a pro rata basis to any affected program or project.

SECTION 5. Tennessee Code Annotated, Section 67-4-409(f), is amended by adding the following new subdivision:

(5) Notwithstanding the provisions of this subsection or any other law to the contrary, for a one (1) year period beginning July 1, 2000, expenditures from the agricultural resources conservation fund may be made in such amounts as are necessary for the purpose of acquiring new equipment for the department. The commissioner of agriculture shall determine the amounts necessary for the purchase of such equipment. The authorization to acquire equipment pursuant to this subdivision shall expire June 30, 2001.

SECTION 6. Tennessee Code Annotated, Section 67-4-606, is amended by deleting subdivision (3) in its entirety and by substituting instead:

(3) Forty-three and seventy-one hundredths percent (43.71%) of the proceeds shall be allocated to the general fund.

SECTION 7. Tennessee Code Annotated, Section 67-6-509, is amended by deleting that section in its entirety and by substituting instead the following:

67-6-509 (a) An out-of-state person making sales in Tennessee, who cannot be required to register for sales and use tax under applicable law but who nevertheless voluntarily registers to collect and remit use tax on items of tangible personal property sold to Tennessee customers, shall be allowed, for the purpose of compensating such person in accounting for and remitting the tax, a deduction against taxes due, reported and paid to the department as follows:

(1) Two percent (2%) of the first two thousand five hundred dollars (\$2,500) on each report; and

(2) One and fifteen one-hundredths percent (1.15%) of amounts over two thousand five hundred dollars (\$2,500) on each report.

(b) No deduction from tax shall be allowed if any such report or payment of tax is delinquent.

SECTION 8. Tennessee Code Annotated, Title 9, Chapter 21, is amended by adding the following new part to expire on June 30, 2003:

Part ____.

HEALTH CARE REVENUE ANTICIPATION NOTES

Section 9-21-.01. Authorization, security, and retirement of health care revenue anticipation notes.

The governing body of a local government operating a nursing home is authorized to issue health care revenue anticipation notes under this part and part 1 of this chapter for the purpose of providing funds to be transferred to the state pursuant to an approved intergovernmental transfer agreement between the state and the local government. The principal amount of the notes shall not exceed an amount as determined by the state commissioner of finance and administration, as specified in the intergovernmental transfer agreement. The sale of the notes shall first be approved by the state director of local finance. Such notes and any interest thereon shall be secured solely by the payments by the state to the local government pursuant to the intergovernmental transfer agreement, and any payments received from the state by the local government shall immediately be applied to the retirement of any health care revenue anticipation notes issued for such purpose, together with any interest accruing thereon, with any remainder being used in such manner as determined by the governing body of the local government.

Section 9-21-.02. Terms of health care revenue anticipation notes.

Health care revenue anticipation notes shall be sold at not less than par value and accrued interest. Health care revenue anticipation notes may be sold in one (1) or more series, may bear such date or dates, may bear interest at such rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denomination or denominations, may be in such form, either coupon or registered, may be payable at such place or places, may be executed in such manner, may be payable in such medium of payment, may be subject to such terms of redemption, without a premium, all as may be provided by resolution of the governing body of the local government. The notes shall mature no later than thirty (30) days from the date of issuance.

Section 9-21-.03. Method of sale of health care revenue anticipation notes.

Health care revenue anticipation notes may be sold in such manner either at a competitive public sale or at a private negotiated sale as the governing body of the local government may direct.

Section 9-21-.04. Interfund loans.

Local governments are hereby authorized to make interfund loans in accordance with procedures for issuance of notes of this part.

SECTION 9. Tennessee Code Annotated, Section 9-21-102, is amended by deleting the phrase "and tax anticipation notes" and substituting instead the phrase "tax anticipation notes, and health care revenue anticipation notes".

SECTION 10. Tennessee Code Annotated, Section 67-4-2109(c)(2), is amended by adding the following new subitem:

(G) If the business enterprise involves a required capital investment of in excess of one billion dollars (\$1,000,000,000) to be invested over a period not to exceed three (3) years from the date of filing of the first business plan relating to the business enterprise, and creates not less than one thousand (1000) full-time employee jobs with "full progression" or "top out" wages equal to or greater than one hundred fifty percent (150%) of Tennessee's average industrial wage for all manufacturing sectors as reported in the Monthly Labor Report published by the Tennessee Department of Labor and Workforce Development for the month of January of the year in which said full-time employee jobs are created, the credit allowed in subdivision (c)(2)(A) shall be five thousand dollars (\$5,000) for each net new full-time job created. For purposes of this subsection, the terms "full progression wage" and "top out wage" are synonymous and mean the wage that an employer assigns to a given job, to be obtained after a worker has completed all required training and experience in that job over an initial period not to exceed three (3) years. For purposes of this subsection, the full-time employee jobs are deemed created when first filled by employees, not when said employees attain "full progression" or "top out" wage status.

In addition to the tax credits allowed to the taxpayer under this subsection for the first tax year, all or a portion of the tax credits allowable under this subsection may also apply on an annual basis to offset taxpayer's franchise tax and excise tax liability under Title 67, Chapter 4 of the Tennessee Code Annotated for each tax year after the first tax year up to a total period not to exceed twenty (20) years, in which the full-time employee jobs created by the required capital investment for which credits were originally issued remain filled by employees at wages equal to or greater than 150% of Tennessee's average industrial wage for all manufacturing sectors as reported in the Monthly Labor Report published by the Tennessee Department of Employment Security for the month of January of the tax year for which the credit is being taken, provided that the Commissioner of Economic and Community Development, with the written concurrence of the Comptroller, shall have determined that the location and nature of the capital investment is economically desirable and in the best interests of the citizens of this State, and shall have executed a writing specifying, for a given business enterprise, the maximum period for which the additional tax credits granted pursuant to this subsection will be allowed and the amount or percentage of additional tax credits that will be allowed from year to year after the first tax year during the specified maximum period. For purposes of this subsection, a required capital investment shall be deemed to have been made as of the date of payment or the date the business enterprise enters into a legally binding commitment or contract for purchase or construction. The three (3) year period for making the required capital investment and the three (3) year period after completion by a worker of initial training or probationary period provided for herein may be extended by the Commissioner of Economic and Community Development for a reasonable period, not to exceed one (1) year, for good cause shown.

SECTION 11. Tennessee Code Annotated, Section 67-4-2109(c)(2), is amended by adding the following new subitem:

(H) If the business enterprise involves a required capital investment of in excess of five hundred million dollars (\$500,000,000), to be invested over a period not to exceed three (3) years from the filing of the first business plan relating to the business enterprise, and creates not less than one thousand (1000) full-time employee jobs with "full progression" or "top out" wages equal to or greater than one hundred fifty percent (150%) of Tennessee's average industrial wage for all manufacturing sectors as reported in the Monthly Labor Report published by the Tennessee Department of Employment Security for the month of January of the year in which said full-time employee jobs are created, the credit allowed in subdivision (c)(2)(A) shall be five thousand dollars (\$5,000) for each net new full-time job created. For purposes of this subsection, the terms "full progression wage" and "top out wage" are synonymous and mean the wage that an employer assigns to a given job, to be obtained after a worker has completed all required training and experience in that job over an initial period not to exceed three (3) years. For purposes of this subsection, the full-time employee jobs are deemed created when first filled by employees, not when said employees attain "full progression" or "top out" wage status.

For purposes of this subsection, a required capital investment shall be deemed to have been made as of the date of payment or the date the business enterprise enters into a legally binding commitment or contract for purchase or construction.

The three (3) year period for making the required capital investment and the three (3) year period after completion by a worker of initial training or probationary period provided for herein may be extended by the Commissioner of Economic and Community Development for a reasonable period, not to exceed one (1) year, for good cause shown.

SECTION 12. Tennessee Code Annotated, Section 67-4-2108, is amended as follows:

(1) Subsection 67-4-2108(a)(1) is amended by adding the words "and exempt required capital investments" after the words "excluding exempt inventory".

(2) Subsection 67-4-2108(a)(6) is amended by adding the following subitem:

() "Exempt required capital investments" means two-thirds in value of all capital investments which are the basis for a taxpayer's entitlement to credits under § 67-4-2109(c)(2)(G) and § 67-4-2109(c)(2)(H).

SECTION 13. Tennessee Code Annotated, Section 67-6-103(a)(3)(B), is amended by adding the following new subdivision:

(a)(3)(B)(v). The collective amounts paid under subdivisions (a)(3)(B)(i) through (a)(3)(B)(iv) of this section shall be limited to the collective amounts paid under such subdivisions for the 1999-2000 fiscal year.

SECTION 14. This act shall take effect July 1, 2000, the public welfare requiring it.

/s/	Senator Micheal Williams	Representative Matthew Kisber
	Senator Ron Ramsey	Representative Jere Hargrove
	Senator Bill Clabough	Representative Shelby Rhinehart
	Senator Joe Haynes	Representative Lois DeBerry
	Senator Jim Kyle	Representative Joe Kent
	Senator Ward Crutchfield	Representative Ralph Cole
	Senator David Fowler	Representative Zane Whitson
		Representative Randy Rinks
		Representative Ronnie Cole
		Representative Tim Garrett

REMARKS

Rep. Kisber requested that the following remarks be spread upon the Journal:

Thank you, Mr. Speaker. I think it would be an understatement if I did not say at the outset that serving as chairman of the Finance Committee during this General Assembly has probably been one of the most challenging positions to hold in one of the most challenging times in recent state history. There has been, a lot has been discussed about where we need to go as a state, and what we need to do, and I hold many dreams about the Tennessee I hope to live my years in and for my family to do as well. As I said yesterday, I think that the discussion I believe that needs to take place is what is the vision, what are the hopes, what are the collective dreams we have from Memphis to Mountain City and how to do we go about fulfilling them. I shared a recollection of testimony by Mayfield Brown, the superintendent of schools in Oneida, Tennessee and having told us their schools were among the worst. Their dropout rate, I think was higher than their graduation rate at one time. But the community came together they recognized they wanted to have a better opportunity for their children, and they decided collectively that they were going to raise money, they were going to put in sweat and energy, and they were going to commit themselves, parents and citizens alike, to improving their schools. They came up with a plan, and as former Governor McWhorter like to say, they planned their work and they worked their plan. At the end of the day, I was recollecting this yesterday; they have got one of the best school systems in the state. Their attainment and graduation rates are second to none. The schools and the colleges their graduates go off to are ones that they had never heard of only a few years ago. There is a story about it; I read on an airplane last month, it was in *Sky Magazine*, the Comptroller is reading the copy I brought with me. It went to show me that and reiterated in my mind that when Tennesseans want to do something, when they are convinced of why of we want to go somewhere, they know that they are a part of making that road to that final destination they will ultimately be a part of it. What this exercise that we have been through this year on the budget has shown me is that we do represent the views of our constituents and it is a varied and mixed set of views. In trying to come together to forge a consensus and to find a proposal on which 50 or more of us can agree we have had to make compromises. I can tell you that as I have worked to be a part of putting this proposal together there are some areas I have compromised on. There are some concerns that I have that deal with budgeting concepts, recurring and nonrecurring revenues, and things of that nature. But in order to get to where we all can pass a budget that in the end is responsible, that meets the needs as established by the priorities that you have played a role in forming in the most open budget discussion process that I have ever been a part of.

I think there is a lot in the appropriation side of what we are doing today that is progressive and that is good. There is a lot that I am proud of and in many other years that I have served in the General Assembly we would take a great deal of pride in being sponsors of what this appropriation bill seeks to accomplish. I think there are those who will take exception with the way in which it is funded. If I could do it differently I'll tell you I would certainly try. But this is the collection of what we can do today and let me share with you very briefly for those who have been in the conference committee and who have heard this presentation before I am sure you are getting a little tired of it. The way in which the conference committee report comes to you and the report you have before you is on the revenue bill. You might recall the revenue bill passed the House and it included the provisions that repealed exemption on residential energy and placed a 2% sales tax on it. That has been removed. It included provisions to raise the taxes on alcohol, tobacco, soft drink syrup and beer by 5%. That has been removed. It also had a provision to raise the manufacturing energy reduced rate from 1.5 to 2%. That increase of 1/2% has been removed.

What continues to exist is the redirection of revenues in the same manner in which they passed the House some weeks ago: the THDA, criminal injury, taking the remainder of vendor compensation, collecting 2% administrative fee in to the General Fund for all revenues that are collected for the Department of Transportation. In the past it had been varying amounts on some of their money this would be a standard 2% administrative fee. Fully funds the welcome centers from the highway fund and banking on significant amount of growth to occur in Tennessee economy in the months July 1, 2000 through June 30, 2001. As the Speaker has pointed out and the Majority Leader shared yesterday in the conference committee this is almost the first of the new fiscal year. In the event, that we erred and we were wrong the 102nd General Assembly will be here in just a little over six months. It will be the shortest period of time between the enactment of a budget and the convening of a new General Assembly then has probably occurred in a long time. We will be here and we will be able to address, as we do in any other year with supplemental appropriation bills and the like in the areas that we miscalculated or significantly miscalculated in order that we don't create fiscal confusion or fiscal chaos within state government or within the programs that the people of Tennessee expect state government to provide.

Let me tell you what we suggest and you will have following this bill, should you adopt it, as the appropriation bill. The appropriations bill will fully fund TennCare, making it actuarial sound, and hopefully with the language we have added on accountability, ensuring that the problems we hear about with inadequate reimbursements to providers and hospitals will be addressed. I think every Member of this chamber has some type of local clinic or hospital that has pestered you this session about the financial problems being caused to them by the failure to get adequate reimbursement from TennCare. By actuarially funding TennCare and putting the \$200 plus million additional dollars with the federal match. It is my hope and expectation that we will have addressed that problem. There is \$16 million that has long been a priority of this General Assembly and this House of Representatives to establish long-term care program for the elderly and disabled who qualify for Medicaid as well as those who do not. It increases payments to contract providers for custody in adoption services.

Provides funding for K-12 Education that will increase by almost \$89 million over this year's funding level and in doing so we again fully fund the basic education program. We double the appropriation from the current funding level for our early childhood programs and that is just a start there is a lot more that needs to be done, in my personal opinion. Funding for higher education will increase by almost \$81 million over this year's funding level when you take the additional appropriation for operating funds, when you take the additional salary monies, and you take the program tuition increase as presented in the Administration's Budget that was introduced the first of this session. We increase funding to the Tennessee Student Assistance Corporation to address the access needs of Tennesseans seeking a college degree. Last year Tennessee students qualified for TSAC grants and loans but were not able to receive them because they ran out of money. As we make a priority seeking to increase our education attainment levels, making sure we help those who are worthy and needy pursue that goal is an important priority of this General Assembly.

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In the areas of salary for state employees, teachers and higher education it includes a 3 1/2 percent salary increase for all of them. Three and a half percent across the board. Language specific in the appropriation bill which ensures that in no instance will an employee in higher education get less than a 3 1/2 percent increase unless they have a letter in their file stating that there is a probationary reason for which they do not qualify. Leaves \$14 million in place for class compensation adjustments. Money that is needed to ensure that specific job description, job titles, remain competitive with the private market as state salary, as the gap between state salaries and private market has widen in a number of areas. It continues to fund on a recurring basis the state share of the 401(k) contribution for state employees. Let me tell you that is a program this General Assembly initiated and every year we are the ones that have to go in an fund that and again we maintain the match for state employees on 401(k).

A few other things this budget accomplishes—fully funds the second year of the child welfare league recommendations, a pattern we established last year, lead by Rep. Walley, to make sure we improve the services that we offer through our Department of Children Services and that we met the recommendations of the Child Welfare League this would do that for the second year in a row. It increases the funding for addressing the mental health mental retardation accommodations toward better self-sufficiency. It funds the federal requirements regarding workforce development standards. Provides funding for medical supplies for the National Guard and their Mediguard program to go into under-served and low-income areas and provide free healthcare to those who might not have access to it. Funds the efforts to meet the governmental accounting standards board recommendations. It increases the payments to contract providers of custody and adoption services.

In addition, the report that will come to you on the appropriations bill includes funding for the UT Chattanooga Engineering Building. It includes funding for maintenance projects Board of Regents, the master plan for Shelby State and State Tech at Memphis. Walter State Community College Life Science Building renovation, Volunteer State Community college Pickle Building renovation, MTSU Todd Library renovation, Motlow State community college Nesbitt Center renovation, APSU infrastructure improvements phase 2, APSU McCord Building renovation and the equipment for the new science building for APSU.

So when you look at the budget, the appropriation bill that passed this floor and the report you have before you today it has been improved upon but it still reflects the priority that you and in a bipartisan manner and in an open process established for the fiscal year 2000-2001 for the State of Tennessee and in it does in, in my opinion, in a progressive manner utilizing and relying upon efficiencies in state government. So pending any questions, Mr. Speaker, I would move that the conference committee report on HB 3364 be adopted and made the action of the House.

Rep. Kisber moved that the Report of the Conference Committee on House Bill No. 3364 be adopted and made the action of the House.

Rep. Buck moved the previous question on the Report of the Conference Committee, which motion prevailed by the following vote:

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Ayes.....60
Noes 21
Present and not voting 2

Representatives voting aye were: Arriola, Baird, Beavers, Bittle, Bone, Briley, Buck, Bunch, Buttry, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Cocke), Davis (Washington), Dunn, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Harwell, Hassell, Hood, Jackson, Kent, Lewis, Maddox, McCord, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Patton, Phelan, Phillips, Pinion, Rinks, Robinson, Sands, Sargent, Sharp, Stulce, Tidwell, Tindell, Todd, Walley, Westmoreland, White, Whitson, Williams, Windle, Wood -- 60.

Representatives voting no were: Armstrong, Bowers, Boyer, Brooks, Brown, Chumney, Cooper, DeBerry J., DeBerry L., Head, Jones S., Kernell, Langster, McAfee, McDaniel, Pleasant, Scroggs, Towns, Turner (Shelby), Walker, West -- 21.

Representatives present and not voting were: Jones U., Turner (Hamilton) -- 2.

Rep. Kisber moved that the Report of the Conference Committee on **House Bill No. 3364** be adopted and made the action of the House, which motion prevailed by the following vote:

Ayes.....76
Noes 19

Representatives voting aye were: Arriola, Baird, Beavers, Bittle, Bone, Boyer, Briley, Buck, Bunch, Buttry, Caldwell, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Cocke), Davis (Washington), Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hassell, Hood, Jackson, Jones S., Kent, Kerr, Kisber, Langster, Lewis, Maddox, McCord, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Rinks, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Turner (Hamilton), Walker, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 76.

Representatives voting no were: Armstrong, Bowers, Brooks, Brown, Chumney, Cooper, DeBerry J., DeBerry L., Eckles, Head, Jones U., Kernell, McAfee, McDaniel, Ridgeway, Towns, Turner (Shelby), Walley, West -- 19.

A motion to reconsider was tabled.

HOUSE ACTION ON SENATE MESSAGE

***House Bill No. 2790** -- Appropriations - Makes appropriations to defray expenses of state government for fiscal year beginning July 1, 2000. by *McDaniel, *Kisber, *Garrett. (SB2977 by *Henry, *McNally, *Atchley)

**MINORITY CONFERENCE COMMITTEE REPORT
ON HOUSE BILL NO. 2790**

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 2790 (Senate Bill No. 2977) has met and recommends that the following amendments be deleted:

All House amendments; and

All Senate amendments.

A minority of the committee further recommends that the following amendment be adopted:

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of six thousand four hundred dollars (\$6,400) for the sole purpose of implementing Senate Bill 2065, House Bill 2015 relative to Group 2 retirement, if such bill becomes a law.

by adding the following item at the end of Section 10:

Item _____. Out of the funds raised by Senate Bill 2350, House Bill 2759, there is appropriated \$224,900 to implement the provisions of Senate Bill 2350, House Bill 2759, relative to driver license restoration or re-instatement, if such bill becomes a law. The commissioner of finance and administration is authorized to create five (5) additional positions in the department of safety to implement Senate Bill 2350, House Bill 2759.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$100,000 for the sole purpose of implementing Senate Bill 3063 / House Bill 3092, relative to the Mental Health and Chemical Dependency Utilization Review Act, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$29,250 for the sole purpose of implementing Senate Bill 2910 / House Bill 2471, relative to increased incarceration costs for defrauding TennCare, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$4,000 for the sole purpose of implementing Senate Bill 2048 / House Bill 2491, relative to National Rifle Association special license plates, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. It is hereby appropriated a sum sufficient to fund Senate Bill 2481 / House Bill 2584, relative to assessment of low income housing, may decrease local government revenues, if such bill becomes a law. Any expenditures shall be subject to approval of the comptroller of the treasury.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$9,000 for the sole purpose of implementing Senate Bill 2289 / House Bill 2646, relative to incarceration costs for the offense of burglary, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$4,500 for the sole purpose of implementing Senate Bill 2671 / House Bill 3081, relative to incarceration costs on certain threats to law enforcement officials, if such bill becomes a law.

by adding the following new item at the end of Section 10:

Item _____. From the funds available to the several incorporated municipalities under Tennessee Code Annotated, Section 67-6-103(a)(3), there is earmarked the sum of \$20,000 which is appropriated to the secretary of state for the sole purpose of fulfilling the publication requirement of any resolution proposing an amendment to Article VI, Section 14 of the Constitution of Tennessee.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient for the sole purpose of implementing Senate Bill 3259 / House Bill 3266, relative to Nashville Predators special license plates, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. It is hereby recognized that Senate Bill 2741 / House Bill 2758 relative to certificates of need for mobile magnetic systems will result in a revenue loss of \$4,500, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$57,000 for the sole purpose of implementing Senate Bill 3158 / House Bill 3082, relative to insurance pools, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$11,400,000 from the Unemployment Compensation Trust Fund to fund Senate Bill 2749 / House Bill 2667, relative to unemployment compensation benefits, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$50,292 for the sole purpose of implementing Senate Bill 2257 / House Bill 2377, relative to UCC filing fees, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$83,900 for the sole purpose of implementing Senate Bill 897 / House Bill 989, relative to hate crime incarceration costs, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$60,000 for the sole purpose of implementing Senate Bill 2730 / House Bill 2520, relative to medical insurance benefits for dependents of certain retired state employees, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$37,500 for the sole purpose of implementing Senate Bill 2273 / House Bill 2651, relative to incarceration costs for persons abusing positions of trust with children, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$9,000 for the sole purpose of implementing Senate Bill 2272 / House Bill 2654, relative to increased incarceration costs for sexual solicitation by electronic mail or Internet, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$67,500 for the sole purpose of implementing Senate Bill 3064 / House Bill 2991, relative to incarceration costs for the offense of aggravated incest, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$4,500 for the sole purpose of implementing Senate Bill 1678 / House Bill 1326, relative to establishing a birth defects registry, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$4,500 for the sole purpose of implementing Senate Bill 2280 / House Bill 2652, relative to increased incarceration costs for filing a false bomb report, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$4,500 for the sole purpose of implementing Senate Bill 2287 / House Bill 2151, relative to increased incarceration costs for the offense of gambling by computer, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$73,000 for the sole purpose of implementing Senate Bill 711 / House Bill 145, relative to increasing the number of actuaries in the Department of Commerce, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$7,900 for the sole purpose of implementing Senate Bill 2534 / House Bill 2488, relative to the Health Care Consumer Right to Know Act, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient not to exceed \$1,921,400 for the sole purpose of implementing Senate Bill 3107 / House Bill 3035, relative to regulation of child care centers, if such bill becomes a law.

by adding the following new item to Section 10:

Item _____. Any increased expenditures resulting from the passage of SB 98 / HB 379 shall be paid from funds allotted to the board of examiners in psychology by the commissioner of finance and administration.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$2,600 for the sole purpose of implementing Senate Bill 104 / House Bill 357, relative to the board of dentistry, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient from the revenue generated by Senate Bill 2382 / HB 2319, relative to the Uninsured Employers Fund, to fund such bill if it becomes a law.

by adding a new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient from the criminal injuries compensation fund to fund SB 2578 / HB 2618, relative to increased benefits for losses resulting from criminal acts, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$84,000 for the sole purpose of implementing Senate Bill 3152 / House Bill 3180, relative to driver license suspensions, if such bill becomes a law.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$1,884 for the sole purpose of funding SJR 753, relative to the study committee on women's health issues, if such resolution is passed.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the department of agriculture by the provisions of this act is reduced by the sum of \$250,000. Such funding reduction is for the purpose of recognizing and offsetting the revenue gain from increased timber sales.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Tennessee Arts Commission by the provisions of this act for grants is reduced by the sum of \$70,000.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Commission on Children and Youth by the provisions of this act is reduced by the sum of \$5,000. Such funding reduction is for the purpose of reducing printing costs.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the comptroller of the treasury by the provisions of this act is reduced by the sum of \$1,000,000. Such funding reduction is for the purpose of recognizing overfunding of the tax relief program.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Education by the provisions of this act is reduced by the sum of \$2,000,000. Such funding reduction is for the purpose of recognizing overfunding of the career ladder program.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Council of Juvenile and Family Court Judges by the provisions of this act is reduced by the sum of \$55,000.

by adding the following new item at the end of Section 10:

It is the legislative intent that the Office of Legislative Budget Analysis, the Office of Research in the Office of the Comptroller of the Treasury, and the Budget division of the Department of Finance and Administration shall jointly undertake a study addressing potential outcome measures and performance benchmarks that could be used to measure progress toward specific goals for access to, and utilization, quality and competitiveness of, Tennessee's higher education system. The study shall include consideration of the following:

- (1) Accountability measures and performance benchmarks used in other states and how such measures and benchmarks are related to budgeting and funding;
- (2) The recommendations of the Governor's Council on Excellence in Higher Education;
- (3) Current goals for higher education established by the Tennessee Higher Education Commission in its *Challenge 2000* report;
- (4) The current performance funding system operated through the Tennessee Higher Education Commission;
- (5) The effect of current specific accountability measures within the higher education funding system;
- (6) The unique missions of Tennessee's post-secondary institutions; and
- () The relationship between higher education performance and K-12 education performance in Tennessee.

The study shall include input from and consultation with the Tennessee Higher Education Commission, the University of Tennessee, the Tennessee Board of Regents, the Tennessee Association of Independent Colleges and Schools, and other state agencies as appropriate.

The results of the study and any recommendations contained therein shall be reported to the Select Oversight Committee on Education on or before February 1, 2001. Insofar as is practical, the study should include:

- (1) Possible goals that could be established concerning accessibility, utilization, quality, and competitiveness of Tennessee's public higher education institutions;
- (2) Accountability measures and/or performance benchmarks that could be put into place relating to the goals of the council;
- (3) Potential performance incentives and disincentives for Tennessee's public higher education system.

by adding the following new item at the end of Section 10:

Item _____. No funds appropriated by this act may be used for the purpose of funding any operating cost increase in any administrative unit in higher education with the exception of recognizing across-the-board salary increases.

by adding the following new item at the end of Section 10:

Item _____. For the fiscal year beginning July 1, 2000, there is hereby recognized a specific overappropriation amount of not less than \$750,000 in the Environmental Protection Fund, it being the legislative intent to recognize the effect of increased fees for services.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Administrative Office of the Courts by the provisions of this act is reduced by the sum of \$199,400. Such funding reduction is for the purpose of reducing operating expenses for law libraries.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Administrative Office of the Courts by the provisions of this act is reduced by the sum of \$202,700. Such funding reduction is for the purpose of reducing expenditures for conference costs, and it is the legislative intent that such conferences be funded through attendance fees.

by adding the following new item at the end of Section 10:

Item _____. It is the legislative intent that the appropriation made to the Department of Environment and Conservation by the provisions of this act for the Tennessee Conservationist Magazine in the sum of \$154,900 be non-recurring. It is the legislative intent that such magazine become self-sufficient by July 1, 2001.

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Item _____. The appropriation made to the Historical Commission reduced by \$10,000.

Item _____. The appropriation made to the Department of Labor and Workforce Development . It is the legislative intent that the for mining operations to the extent necessary to offset this reduction in the department's base budget. The funding reduction under this item is contingent on House Bill No. 3364

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the General Assembly by the provisions of . Such funding reduction is for the purpose of reducing operating expenditures

by adding the following new item at the end of Section 10:

It by the provisions of this act is reduced by the sum of \$175,000 costs of supervisory training provided to other state agencies be allocated to the

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Office of the Post-Convic by the provisions of this act is reduced by the sum of \$16,150. Such funding reduction is

by adding the following new item at the end of Section 10:

by the provisions of this act is reduced by the sum of \$600,000 of recognizing an increase in training academy fees from \$100 to \$200 per week.

Item _____. The appropriation made to the Tennessee Advisory Commission on by the provisions of this act is reduced by the sum of \$100,000 be recurring.

by adding the following new items at the end of Section 10:

Item _____. It is the legislative intent that the administrative expenses of the Criminal Injuries Compensation Program be funded from the Criminal Injury Compensation Fund rather than from the Claims Award fund. There is appropriated a sum sufficient from the Criminal Injury Compensation Fund for such administrative expenses. Upon certification as to the amount by the State Treasurer, the Commissioner of Finance and Administration is authorized to adjust the charges to the department and agencies to reflect the reduced expenses to the Claims Award Fund. The provisions of this item are contingent on House Bill No. 3364 / Senate Bill No. 3351 becoming law.

Item _____. The amount budgeted for the Claims Award Fund for the cost associated with the Attorney General's usage of outside counsel is reduced by the sum of \$775,000. The commissioner of Finance and Administration is authorized to adjust the charges to the departments and agencies to reflect this reduced expense.

Item _____. The appropriation of employer contributions to the Tennessee Consolidated Retirement System is reduced by the sum of \$35,000 to recognize the savings realized by requiring all beneficiaries to receive their monthly annuities by direct deposit rather than by a physical check. The reduction made in this item is contingent on House Bill No. 25 / Senate Bill No. 37 becoming law.

Item _____. The appropriation to the Treasurer's Office contained in Section 1, Title III-1, item 7.1 is reduced by the sum of \$274,000 to recognize the increased fee revenue from investment of restricted accounts and reducing the number of open bank accounts to a maximum of 35. The Treasurer is directed to implement the changes necessary to generate these savings. In addition, Treasurer earnings are increased by \$16,000 to recognize the reduction in bank service charges realized by reducing the number of open bank accounts to a maximum of 35.

Item _____. The appropriation of departmental revenue to the Treasurer's Office contained in Section 4, Item III-1, item 7.1 is reduced by the sum of \$19,000 to recognize savings realized by requiring companies to provide the annual report to unclaimed property in a standardized electronic format, and to reduce mailing costs associated with such companies by utilizing e-mail and internet capabilities. The Treasurer is directed to implement the changes necessary to generate these savings.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Tennessee Rehabilitative Initiative in Correction Board (TRICOR) for the post release program by the provisions of this act is reduced by the sum of \$279,000. It is the legislative intent that the post release program be funded from TRICOR revenues.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Commission on Aging by the provisions of this act is reduced by the sum of \$16,700. Such funding reduction is for the purpose of eliminating the improvement funding for computer system changes.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to Department of Agriculture of this act is reduced by the sum of \$600,000. Such funding reduction is for the purpose

by adding the following new item at the end of Section 10:

ative intent that the improvement funds appropriated by this act to the Department of Agriculture in the amount of \$2,500,000 for the purpose of non-recurring.

by adding the following new item at the end of Section 10:

provisions of this act is reduced by the sum of \$556,300 by the the purpose of eliminating the improvement funding for seven (7) new positions.

Item _____. It is the legislative intent that the improvement funds appropriated by this act to the Department of Children's Services amount of \$229,000 for the purpose of funding the availability of adoption record

by adding the following new item at the end of Section 10:

insurance by the provisions of this act is reduced by the sum of \$757,100 reduction is for the purpose of reducing improvement funding for the fire service and codes enforcement academy

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Comptroller of the Treasury provisions of this act is reduced by the sum of \$97,100. Such funding reduction is for performance.

Item _____. The appropriation made to the Administrative Office of the Courts the provisions of this act is reduced by the sum of \$300,000. Such funding reduction is

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Administrative Office of the Courts the provisions of this act is reduced by the sum of \$1,425,000. Such funding reduction is TnCIS system.

Item _____. The appropriation made to the District Public Defenders by the provisions of this act is reduced by the sum of \$343,400. Such funding reduction is for the purpose of eliminating improvement funding for access to LAN and WAN.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the District Public Defenders by the provisions of this act is reduced by the sum of \$448,300. Such funding reduction is for the purpose of eliminating improvement funding for new positions under the staffing formula.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the District Attorneys General by the provisions of this act is reduced by the sum of \$85,000. Such funding reduction is for the purpose of eliminating improvement funding for expert witnesses.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the District Attorneys General by the provisions of this act is reduced by the sum of \$947,800. Such funding reduction is for the purpose of eliminating improvement funding for new positions under the staffing formula.

by adding the following new items at the end of Section 10:

Item _____. The appropriation made to the District Attorneys General by the provisions of this act is reduced by the sum of \$132,300. Such funding reduction is for the purpose of eliminating improvement funding for domestic violence prevention and drug enforcement. It is the legislative intent to fund this item with funds from the criminal injuries compensation fund. The provisions of this item are contingent on House Bill No. 3364 / Senate Bill No. 3351 becoming law.

Item _____. There is appropriated to the department of the treasury a sum not to exceed \$132,300 from the criminal injuries compensation fund for grants for domestic violence prevention and drug enforcement activities. The provisions of this item are contingent on House Bill No. 3364 / Senate Bill No. 3351 becoming law.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Economic and Community Development by the provisions of this act is reduced by the sum of \$56,700. Such funding reduction is for the purpose of eliminating improvement funds to pay increased membership dues for the Appalachian Regional Commission.

by adding the following new item at the end of Section 10:

Community Development by the provisions of this act is reduced by the sum of . Such funding reduction is for the purpose of eliminating improvement funding of the Black Enterprise magazine conference from the department's marketing and advertising budget to provide funding support for the Black Enterprise Magazine Conference.

Item _____. The appropriation made to the Department of Economic and by the provisions of this act is reduced by the sum of \$400,000 improvements for the Tennessee Technology Development Corporation.

Item _____. The appropriation made to the Department of Economic and by the provisions of this act is reduced by the sum of \$3,574,300 funding for increased TIIPS and ITS grants to communities.

Item _____. The appropriation made to the Department of Environment and Conservation . Such funding reduction is for the purpose of eliminating the improvement funding for state

by adding the following new item at the end of Section 10:

Department of Environment and Conservation in the amount of \$500,000 for the purpose of major maintenance projects improvement funding of the West Tennessee River Basin non-recurring.

by adding the following new item at the end of Section 10:

Conservation by the provisions of this act is reduced by the sum of \$526,800 funding reduction is for the purpose of eliminating the improvement for additional LAN and WAN access

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Executive Department by the . Such funding reduction is for the purpose of eliminating improvement funding for increased dues for legislative and

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Finance and Administration by the provisions of this act is reduced by the sum of \$134,000. Such funding reduction is for the purpose of eliminating improvement funding for developing alternatives to obsolete software for payroll transactions.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Finance and Administration by the provisions of this act is reduced by the sum of \$500,000. Such funding reduction is for the purpose of eliminating improvement funding for studies on modernizing the state payroll module of the personnel system and development of a new personnel system.

By adding the following new section to be appropriately numbered:

Section _____. The appropriation made in Section 1, Title III-2, Item 3.3 of this act is hereby reduced in the amount of \$2,500,000 to delete the improvement funding for the Geographic Information System (GIS).

The following amounts are hereby reappropriated in the fiscal year ending June 30, 2000, and the Commissioner of Finance and Administration is authorized to transfer an amount not to exceed \$2,500,000 to and within the Systems Development Fund for the purpose of funding the Geographic Information System (GIS): (a) the unexpended balance of the appropriations made for Year 2000 Modifications in Public Acts of 1997, Chapter 552, Section 1, Title III-21, Item 11 (\$6 million) and Public Acts of 1998, Chapter 1135, Section 1, Title III-21, Item 11 (\$4 million), such balance estimated to be \$1,866,313.27; and (b) the unexpended balance from the appropriation for LAN Consolidation in Public Acts of 1999, Chapter 539, Section 1, Title III-21, Item 13.

The following items (a), (b), and (c) are hereby reappropriated in the fiscal year ending June 30, 2000, and item (d) is hereby reappropriated in the fiscal year ending June 30, 2001; and the Commissioner of Finance and Administration is authorized to transfer such amounts to and within the Systems Development Fund for the purpose of systems development projects and/or the computer replacement fund: (a) the unexpended balance, not previously transferred, from the appropriation for LAN Consolidation in Public Acts of 1999, Chapter 539, Section 1, Title III-21, Item 13; (b) the unexpended balance, from OIR rate reduction General Fund savings transferred to the Miscellaneous Appropriations account in the 1999-2000 Work Program, pursuant to Public Acts of 1999, Chapter 539, Section 10, Item 13, and Section 43, Item 4; (c) any unexpended balance from an additional OIR rate reduction General Fund savings that will accumulate at June 30, 2000, pursuant to Public Acts of 1999, Chapter 539, Section 10, Item 13; and (d) any OIR rate reduction General Fund savings to be transferred to the Miscellaneous Appropriations account in the 2000-2001 Work Program, pursuant to Public Acts of 1999, Chapter 539, Section 10, Item 13. Subject to the availability of revenues, at June 30, 2000, the Commissioner of Finance and Administration is authorized to transfer the amounts specified in subsections (a), (b) and (c) from the General Fund to the Systems Development Fund and to allocate the funds to systems development projects or the computer replacement fund.

*The Commissioner is further authorized to transfer the amount specified
other systems development projects or the computer replacement fund.*

The provisions of this section shall take effect upon becoming a law, the

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Education by the
the purpose of reducing improvement funding for the early childhood education initiative.

by adding the following new item at the end of Section 10:

by the provisions
of this act is reduced by the sum of \$117,200
of eliminating improvement funding for staff support for the Children's Information
Tennessee (CIT) system

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Health by the provisions
of eliminating improvement funding to enhance the patient tracking and billing
management information system.

Item _____. The appropriation made to the Department of Health by the provisions
. Such funding reduction is for the
purpose of eliminating improvement funding to establish additional community health
telemedicine projects.

Item _____. The appropriation made to Higher Education by the provisions of this
. Such funding reduction is for the purpose of
eliminating improvement funding for operational costs at the Tennessee Higher
the foreign language institute and for contract education.

Item _____. The appropriation made to Higher Education by the provisions of this
act is reduced by the sum of \$7,500,000. Such funding reduction is for the purpose of
institutions throughout Tennessee. It is the legislative intent that the Tennessee Higher
Education Commission (THEC)
such institutions.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to Higher Education by the provisions of this act is reduced by the sum of \$2,000,000. Such funding reduction is for the purpose of eliminating system-wide improvement funding for debt service on \$9,000,000 in general obligation notes for equipment procurement.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to Higher Education by the provisions of this act is reduced by the sum of \$4,000,000. Such funding reduction is for the purpose of eliminating the improvement funds to be added to the McWherter Scholars Trust Fund.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to Higher Education by the provisions of this act is reduced by the sum of \$4,000,000. Such funding reduction is for the purpose of eliminating improvement funding for a technology initiative to improve student access to higher education through the use of distance learning.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the board of regents system by the provisions of this act is reduced by the sum of \$5,000,000. Such funding reduction is for the purpose of eliminating the improvement for research initiatives.

by adding the following new item at the end of Section 10:

Item _____. It is the legislative intent that improvement funds in the sum of \$10,000,000 appropriated to Higher Education for equipment be non-recurring.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the University of Tennessee by the provisions of this act for the purpose of research initiatives is reduced by the sum of \$7,500,000. It is the legislative intent that the funds appropriated by this act to the University of Tennessee in the amount of \$7,500,000 for the purpose of funding research initiatives be non-recurring. A report should be filed for review with the Chairman of the House Finance, Ways and Means Committee, the Chairman of the Senate Finance, Ways and Means Committee, and the Chairmen of the Joint Education Oversight Committee not later than February 1, 2001, concerning plans for expenditures of such funds and the status of matching funds. It is the legislative intent that these funds not be recognized in the higher education funding formula.

by deleting Section 51 of the original bill in its entirety and by substituting instead the following:

SECTION 51.

Item 1. The appropriation made in Section 1, Title III-9, Item 2.1c., BEP and Other LEA Support, includes funding for the state share of a three percent (3%) across-the-board teachers' salary increase in the Basic Education Program in fiscal year 2000-2001.

Item 2. The appropriation made in Section 1, to Higher Education, includes \$22,895,800 to provide a three percent (3%) across-the-board salary increase effective July 1, 2000 for all higher education employees. Subject to approval by the Commissioner of Finance and Administration, the Tennessee Higher Education Commission shall prepare a schedule to allocate this appropriation. Such schedule shall be submitted to the Office of Legislative Budget Analysis.

Item 3. The appropriations made in Section 1, Title III-10 for higher education are reduced by \$26,558,700. The reduction is for the purpose of eliminating the funds for an additional average three percent (3%) faculty salary increase effective July 1, 2000 and for recognizing distribution of salary funds through the higher education formula.

Any additional general salary increases for such faculty members that exceed the across-the-board salary increase provided in this section may be granted from funds available to institutions of higher education if such increases are submitted to and approved by the Board of Trustees of the University of Tennessee or the Board of Regents, respectively. Such plans shall also be submitted to the Commissioner of Finance and Administration and the Office of Legislative Budget Analysis.

Item 4. Notwithstanding any provision of law or this act to the contrary, no increase in compensation for staff, faculty or administrators in excess of increases in compensation granted pursuant to Item 2 shall be implemented in any institution of higher education until a compensation plan for each campus and administrative office has been submitted to and approved by the Board of Trustees of the University of Tennessee or the Board of Regents, respectively. Such plans shall also be submitted to the Commissioner of Finance and Administration and the Office of Legislative Budget Analysis.

Item 5. The appropriation of \$24,990,600.00 made in Section 1, Title III-21, Item 16, State Employees Salary Increase, is intended to provide a three percent (3%) across-the-board salary increase effective July 1, 2000 for each state employee and to adjust the appropriate salary ranges in a like manner. The salary increase is not applicable to employees in positions which come under the provisions of a statutory salary plan: provided, however, that employees who come under the provisions of a statutory salary plan shall receive compensation increases in accordance with the provisions of such statutory salary plan.

Item 6. In addition to any other across-the-board salary increases provided for in this section, there is appropriated a sum sufficient to fund the state share of an additional one-half percent (0.5%) across-the-board teachers' salary increase in the basic education program in fiscal year 2000-2001.

Item 7. In addition to any other across-the-board salary increases provided for in this section, there is appropriated a sum sufficient for a one-half percent (0.5%) across-the-board salary increase effective July 1, 2000 for all higher education employees and for recognizing distribution of salary funds through the higher education formula. Subject to approval by the Commissioner of Finance and Administration, the Tennessee Higher Education Commission shall prepare a schedule to allocate this appropriation. Such schedule shall be submitted to the Office of Legislative Budget Analysis.

Item 8. In addition to any other across-the-board salary increases provided for in this section, there is appropriated a sum sufficient for a one-half percent (0.5%) across-the-board salary increase effective July 1, 2000 for each state employee not covered by the additional salary increases provided in Items 6 and 7 of this section and to adjust the appropriate salary ranges in a like manner. The salary increase is not applicable to employees in positions which come under the provisions of a statutory salary plan: provided, however, that employees who come under the provisions of a statutory salary plan shall receive compensation increases in accordance with the provisions of such statutory salary plan.

Item 9. The appropriation of \$20,277,800 made in Section 1, Title III-21, for State Employee Salary Adjustments to address employee compensation issues is reduced by \$6,000,000. Prior to allotting this appropriation under the provisions of Section 35, Item 11 of this act, the Commissioner of Personnel and the Commissioner of Finance and Administration shall submit to the Speaker of the House of Representatives, the Speaker of the Senate and the Chairmen of the Finance, Ways and Means Committees of the Senate and House of Representatives a plan for the allocation of this appropriation to state agencies. Such plan shall also be submitted to the Office of Legislative Budget Analysis. There is earmarked a sum sufficient to address legislative employee compensation issues.

Item 10. It is the legislative intent that all across-the-board raises shall apply to all state employees, and higher education employees unless an employee is denied on the basis of unsatisfactory work performance which shall be set forth in a statement from the head of the department, agency, or institution of higher education detailing the circumstances surrounding the denial which shall be sent to the affected employee. The person denied the increase shall then have the opportunity to respond either orally or in writing to the head of the department, agency, or institution of higher education. If the denial is sustained, such letter must be filed with the commissioner of personnel or the Board of Trustees of the University of Tennessee system or the Board of Regents of the State University and Community College system, as appropriate. Provided, however, that employees who are compensated at range minimums shall receive any increase caused by adjustment of range minimums, notwithstanding the provisions of this item to the contrary.

Item 11. The Commissioner of Finance and Administration is authorized state's contribution to the Tennessee Consolidated Retirement System (TCRS) in recognition of the new contribution rates to be effective July 1, 2000. The total amounts appropriated in Sections 1 and 4 of this act and the Commissioner shall reflect that reduction in the work program allotments established effective July 1,

Item 12. All salary increases from funds appropriated by the provisions of this act in accordance with the provisions of this section are contingent on House

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Human Rights Commission provisions of this act is reduced by the sum of \$211,800. Such funding reduction is for employment discrimination cases.

Item _____. The appropriation made to the Department of Human Services by the provisions of this act is reduced by the sum of \$150,000. Such funding reduction is for and Food Stamp information from the department's computer system.

by adding the following new item at the end of Section 10:

_____. Such funding reduction is for the purpose of eliminating improvement funds for a pilot project for increased access to services by the

by adding the following new item at the end of Section 10:

_____. Such funding reduction is for the purpose of eliminating the improvement funds to maintain the Governor's Schools. provisions of this act is reduced by the sum of \$285,000

Item _____. The appropriation made to the Department of Education by the the purpose of eliminating improvement funds designated for reducing the BEP growth

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Education by the provisions of this act is reduced by the sum of \$3,291,800. Such funding reduction is for the purpose of reducing the improvement funding for development and field testing of five new tests. It is the legislative intent to fund five of the ten recommended tests.

It is hereby declared to be the legislative intent that the appropriation in this act is for fewer than the required number of evaluation tests required to implement the Education Improvement Act. It is further the legislative intent that required funding for any additional required evaluation tests shall be included in the 2001-2002 appropriations bill. Furthermore, the Department of Education shall report quarterly to the Finance, Ways, and Means Committees of the Senate and the House of Representatives and to the Joint Oversight Committee on Education on the expenditure of these funds and the progress of developing these and future tests. At the request of any of these committees, reports shall be made monthly.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Labor and Workforce Development by the provisions of this act is reduced by the sum of \$18,100. Such funding reduction is for the purpose of eliminating funds for the improvement pertaining to federal mine safety and equipment rules. The funding reduction under this item is contingent on House Bill No. 3364 / Senate Bill No. 3351 becoming law.

by adding the following new item at the end of Section 10:

Item _____. It is the legislative intent that the funding associated with any judgeship which becomes vacant under the following conditions shall be terminated:

(1) The judgeship is in a judicial district which has been identified in the weighed caseload study as having more judges than required under such study.

(2) The excess judicial capacity amounts to a full judgeship and not a fraction of one.

(3) The vacancy occurs after June 15, 2000.

(4) The terminated funding shall be retained by the Administrative Office of the Courts to fund any judgeships in areas of need which are identified in the weighted caseload study, subject to creation of such judgeships by the General Assembly.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the department of labor and workforce development by the provisions of this act is reduced by the sum of \$32,900. Such funding reduction is for the purpose of eliminating improvement funding for two (2) positions to support departmental computer systems.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the department of mental health and by the provisions of this act is reduced by the sum of \$326,800. Such declining federal match for the Tennessee Technology Access Project.

Item _____. The appropriation made to the Department of the Military by the . Such funding reduction is for the purpose of eliminating improvement funding for the replacement of federal monies

by adding the following new item at the end of Section 10:

by the provisions of this act is reduced by the sum of \$157,800 the purpose of eliminating improvement funding for new positions for operational support

by adding the following new item at the end of Section 10:

Item _____. The appro by the provisions of this act is reduced by the sum of \$696,600 the purpose of eliminating improvement funding for facility maintenance.

Item _____. The appropriation made to Miscellaneous Appropriations by the provisions of Section 1, Title III-21 . Such funding reduction is for the purpose of eliminating improvement funding for charter

by adding the following new item at the end of Section 10:

provisions of Section 1, Title III-21, Item 17 is reduced by the sum of \$15,000,000 funding reduction is for the purpose of eliminating improvement funding for implementation of recommendations by the Juvenile Justice Reform Commission

by adding the following new item at the end of Section 10:

Item _____. In addition to any other funds appropriated by the provisions of this funding of all bills with an estimated cost of \$15,000 or less which become law and are not otherwise funded in this act.

Item _____. The appropriation made to the department of personnel by the provisions of this act is reduced by the sum of \$60,000. Such funding reduction is for the purpose of eliminating funding to replace desktop computers through the computer replacement fund.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Personnel by the provisions of this act is reduced by the sum of \$518,600. Such funding reduction is for the purpose of eliminating improvement funding for management training.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Revenue by the provisions of this act is reduced by the sum of \$436,600. Such funding reduction is for the purpose of eliminating improvement funding to establish an electronic commerce unit.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Revenue by the provisions of this act is reduced by the sum of \$1,083,600. Such funding reduction is for the purpose of eliminating improvement funding for additional staff positions for conducting tax audits and compliance reviews.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Revenue by the provisions of this act is reduced by the sum of \$330,075. Such funding reduction is for the purpose of reducing improvements in operational funding.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Revenue by the provisions of this act is reduced by the sum of \$1,405,000. Such funding reduction is for the purpose of eliminating improvement funding to cover recurring costs of administering the 1999 tax revision and reform act.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Safety by the provisions of this act is reduced by the sum of \$135,800. Such funding reduction is for the purpose of eliminating improvement funding for retaining law enforcement training positions due to the loss of federal Community Oriented Policing grants.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to the Department of Safety by the provisions of this act is reduced by the sum of \$420,000. Such funding reduction is for the purpose of eliminating improvement funding for the replacement of three interstate commercial vehicle enforcement scales.

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Item _____. It is the legislative intent that the funds appropriated by the provisions of this act to the Department of Safety in the amount of \$120,000 for the purpose of non-recurring.

by adding the following new item at the end of Section 10:

_____ by the provisions of
. Such funding reduction is for the purpose of
eliminating improvement funding for the Tennessee electronic library
intent that the Tennessee electronic library be funded with federal funds.

Item _____. The appropriation made to the Tennessee Bureau of In _____ by
. Such funding reduction is
improvement funding replacement connected to the loss of
_____.

Item _____. The appropriation made to the Tennessee Bureau of Investigation
the provisions of this act is reduced by the sum of \$570,900
for the purpose of eliminating the improvement for six (6) additional positions

by adding the following new item at the end of Section 10:

_____ by
. Such funding reduction is

tourism

By adding the following

Item _____. It is the legislative intent to recognize an
\$85,000,000 for fiscal year 2000-2001.

Department of Revenue

Proposed 2000 Tax Reform Bill

AND FURTHER AMEND by adjusting all totals and subtotals accordingly.

revenue by \$26,521,400. Such funding reduction is for the purpose of eliminating the
2000 tax reform bill.

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by deleting the original Section 1, Title 30 in its entirety and by substituting instead the following:

30. State Funding Board

There is hereby appropriated to the State Funding Board for interest and reduction of the State debt, for debt service expense and interest on proposed bond authorization:

	<u>2000-2001</u>
1. Interest on State Debt	\$41,359,000.00
2. Retirement of Bonds	66,747,000.00
3. Debt Service Expense	2,500,000.00
4. Amortization of Authorized and Unissued Construction Bonds	52,885,900.00
5. Amortization of Authorized and Unissued Highway Bonds	87,700,000.00
Total Title III-30	\$251,191,900.00

The appropriation made under Section 1, Title III-30, Items 1, 2, 3, 4 and 5 is made under the provisions of Tennessee Code Annotated, Title 9, Chapter 9, and may be increased to such amounts as will be necessary to carry out such provisions.

AND FURTHER AMEND by deleting the original Section 1, Title 31 in its entirety and by substituting instead the following:

31. Capital Outlay

There is hereby appropriated to each of the departments and agencies enumerated herein, funds for major maintenance, equipment, construction and acquisition of land, and for expansion, improvement, betterments and repairs to existing structures. The Commissioner of Finance and Administration is hereby authorized to transfer the amounts herein appropriated to the Capital Projects Fund for the use of the said departments and agencies.

	<u>2000-2001</u>
1. Department of Commerce and Insurance	\$1,110,000.00
2. Department of Finance and Administration – Mental Retardation	16,000.00
3. State Board of Regents	11,388,000.00
4. University of Tennessee System	5,005,000.00
5. Department of Finance & Administration – Statewide Maintenance	8,175,000.00
Total Title III-31	\$25,644,000.00

Said funds herein appropriated shall be used solely for improvements, betterments, and additions to state structures and for the acquisition of additional land and space, including the purchase of existing structures and grants, as described or referred to above and as approved by the State Building Commission; provided, further, that such funds as are appropriated herein shall be utilized to finance only those projects, improvements, betterments, or additions which are presented in the State of Tennessee's 2000-2001 Budget Document, as amended by any changes or additional projects contained in the Appropriations Act as passed on third and final consideration; provided, further, that all funds appropriated in this act or other general acts of this session for capital outlay shall be subject to the provisions of Tennessee Code Annotated, Title 4, Chapter 15, Part 1.

AND FURTHER AMEND by deleting Item 4 of the original Section 43 and by substituting instead the following:

Item 4. Unexpended appropriations in the amount of \$35,000,000.00 shall be transferred from the debt service fund to the general fund in the fiscal year ending June 30, 2000.

AND FURTHER AMEND by adding the following new item at the end of the original Section 43:

Item _____. In the fiscal year ending June 30, 2000, there shall be reserved the sum of \$100,525,800 in the general fund balance which shall be carried forward to fund appropriations made for the fiscal year beginning July 1, 2000.

AND FURTHER AMEND by deleting Item 2 of the original Section 47 and by substituting instead the following:

Item 2. From state revenues and other funds available to the general fund for the fiscal year ending June 30, 2001, the Commissioner of Finance and Administration is authorized to establish the Revenue Fluctuation Reserve in the amount of \$178,000,000 under the provisions of Tennessee Code Annotated, Section 9-4-211.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$1,000,000 for the sole purpose of implementing Chapter No. 554 of the Public Acts of 2000, relative to the Coordinated School Health Improvement Act of 1999.

by adding the following language at the end of the original Section 12, Item 5(a):

Should this amount be insufficient to provide for the twenty dollar (\$20) match, there is appropriated a sum sufficient, not to exceed \$2,930,000, to supplement funding for such match.

AND FURTHER AMEND by adding the following language at the end of the original Section 12, Item 5(b):

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Should this amount be insufficient to provide for the twenty dollar (\$20) match, there is appropriated a sum sufficient, not to exceed \$676,000, to supplement funding for such match.

AND FURTHER AMEND by adding the following language at the end of the original Section 12, Item 5(c):

Should this amount be insufficient to provide for the twenty dollar (\$20) match, there is appropriated a sum sufficient, not to exceed \$1,338,000, to supplement funding for such match.

by adding the following new items at the end of Section 10:

Item _____. There is appropriated from the state highway fund the sum of \$1,600,600 to the department of tourist development for operation of welcome centers.

Item _____. The appropriation made to the department of tourist development by the provisions of Section 1, Title III-4, Item 2 is reduced by the sum of \$1,600,600 to recognize the funding of welcome centers from the state highway fund.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated a sum sufficient to the department of finance and administration for distribution to the appropriate entities for the sole purpose of implementing Senate Bill 2001 / House Bill 2004, Senate Bill 2047 / House Bill 2020, Senate Bill 2633 / House Bill 2798, Senate Bill 0593 / House Bill 0565, Senate Bill 2069 / House Bill 2006, Senate Bill 2121 / House Bill 2329, Senate Bill 2135 / House Bill 2212, Senate Bill 2722 / House Bill 2890, Senate Bill 3158 / House Bill 3082, Senate Bill 1721 / House Bill 1679, Senate Bill 2550 / House Bill 2888, Senate Bill 2557 / House Bill 2741, Senate Bill 2634 / House Bill 2818, Senate Bill 2898 / House Bill 2259, Senate Bill 3089 / House Bill 3016, Senate Bill 3210 / House Bill 3168, Senate Bill 2864 / House Bill 3178, Senate Bill 3110 / House Bill 3038, Senate Bill 3043 / House Bill 3122, Senate Bill 2904 / House Bill 2610, Senate Bill 2382 / House Bill 2319, Senate Bill 0524 / House Bill 0650, Senate Bill 2065 / House Bill 2015, Senate Bill 3107 / House Bill 3035, Senate Bill 2609 / House Bill 2527, Senate Bill 2485 / House Bill 2738, Senate Bill 2741 / House Bill 2788, Senate Bill 2769 / House Bill 2379, Senate Bill 0897 / House Bill 0989, Senate Bill 2124 / House Bill 2737, Senate Bill 0190 / House Bill 0319, Senate Bill 3172 / House Bill 2365, Senate Bill 2415 / House Bill 2517, Senate Bill 2578 / House Bill 2618, Senate Bill 2694 / House Bill 3109, Senate Bill 3076 / House Bill 3004, Senate Bill 3091 / House Bill 3018, Senate Bill 2570 / House Bill 2366, Senate Bill 2382 / House Bill 2319, Senate Bill 1770 / House Bill 1849, Senate Bill 2366 / House Bill 2910, Senate Bill 2910 / House Bill 2471, Senate Bill 2650 / House Bill 2400, Senate Bill 2949 / House Bill 2771 and House Joint Resolution 532, if such bills become law; provided, however that the appropriation to implement Senate Bill 2949 / House Bill 2771 shall not exceed \$1,000,000. It is the legislative intent that if funding is earmarked for such implementation in such bills that the funds appropriated in this item be reduced accordingly. In addition, if the fiscal note on any bill states that state revenues would be increased in an amount equal to or greater than state expenditures as a result of the enactment of such bill, then there is appropriated a sum sufficient from such increased revenue to the appropriate entity, as determined by the commissioner of Finance and Administration, to implement such bill.

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AND FURTHER AMEND by deleting in Section 1 of the printed bill all of the line items in Title III-6, Wildlife Resources Agency, and substituting instead the following line items:

1. Wildlife	\$23,613,000.00
2. Boating	4,631,000.00
3. Wetlands Acquisition Fund	6,000,000.00
4. Wetlands Compensation Fund	200,000.00
Total Title III-6	\$34,444,000.00

AND FURTHER AMEND in Section 4 of the printed bill by deleting all of the line items in Title III-6, Wildlife Resources Agency, and substituting instead the following line items:

1. Wildlife	\$16,375,400.00
2. Boating	2,330,800.00
Total Title III-6	\$18,706,200.00

AND FURTHER AMEND in Section 2, Item 11, of the printed bill by deleting the T.C.A. citation "9-6-119" and substituting in lieu thereof "9-4-210".

AND FURTHER AMEND by adding to Section 7, Item 10 of the printed bill a second sentence to read: "From the funds appropriated to Dismas, Inc., there is earmarked the sum of \$25,000 to Chattanooga Endeavors (formerly Dismas House of Chattanooga) and \$8,000 to Better Decisions (formerly DECISIONS, a program of the DISMAS, Inc. home office) for the sole purpose of maintaining operations at their former level."

AND FURTHER AMEND by deleting in its entirety Section 41, Item 4 of the printed bill and by renumbering the subsequent items.

AND FURTHER AMEND by deleting the second paragraph in Section 48, Item 1 of the printed bill and substituting a new paragraph to read: "The Commissioner of Finance and Administration is further authorized to transfer state funds and positions, as required, between TennCare and Mental Health services, Mental Retardation services, other Health services, Children's Services, Health Oversight and Commerce and Insurance, Division of TennCare Oversight."

AND FURTHER AMEND by inserting in Section 9 of the printed bill a new item to read:

Item____. To the Department of Environment and Conservation from the Radiation Reclamation Trust Fund and the Perpetual Care Trust Fund under the provisions of Tennessee Code Annotated, Section 68-202-405.

AND FURTHER AMEND by adding to Section 36, Item 1 of the printed bill a second sentence to read: "The Commissioner of Finance and Administration is authorized to transfer from the amounts carried forward sums sufficient for the computer equipment replacement fund and to the systems development fund."

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AND FURTHER AMEND by adding to Section 36 of the printed bill the following new items:

Item _____. To the Department of Veterans Affairs in Section 2, Item 11, an amount not to exceed \$39,000. Subject to the availability of funds, the Commissioner of Finance and Administration is authorized to carry forward that amount to replace regional office computers in fiscal year 2000-2001.

Item _____. To the Department of Agriculture the unexpended balance of revenues from timber salvage sales at Natchez Trace State Forest and State Park.

Item _____. To the Department of Correction, Tennessee Prison for Women, in Section 1, Title III-7, Item 6 in the amount of \$537,600.00. The funds authorized to be carried forward are for the purpose of non-recurring costs of prison bed expansions.

Item _____. To the Department of Children's Services in Section 1, Title III-22, Item 4, Adoption Services, for any grant agreement/contract approved by the Commissioner of Finance and Administration for the purpose of adoption placement and finalization for youth with special needs.

Item _____. To the Department of Finance and Administration, Division of Mental Retardation, in Section 1, Title III-24. The sum of \$775,000 is hereby reappropriated to provide training reimbursement for provider agencies and independent support coordination agencies that serve class members in the Settlement Agreement.

Item _____. To the Department of Commerce and Insurance in Section 1, Title III-11, Item 4 and in Section 4, Title III-12, Item 3, an amount not to exceed \$275,000. The funds carried forward shall be used to equip the new Fire and Codes Academy.

Item _____. To the Department of Commerce and Insurance in Section 4, Title III-12, Item 1, an amount not to exceed \$100,000. The funds carried forward shall be used to purchase computer equipment.

AND FURTHER AMEND by deleting in its entirety Section 39 of the printed bill and substituting a new Section 39 to read:

SECTION 39. The provisions of this section shall take effect upon becoming law, the public welfare requiring it. There is hereby appropriated from departmental revenues and federal aid funds the amounts hereinafter set out:

	<u>1999-2000</u>	<u>2000-2001</u>
District Attorneys General Conference		
1. District Attorneys General	\$153,000	\$0
2. IV-D Child Support Enforcement	0	305,000
Total District Attorneys General Conference	\$ 153,000	\$305,000

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Secretary of State

1. Secretary of State	\$0	\$ 222,500
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Commissions

1. Tennessee Housing Development Agency	\$ 5,900	\$ 37,500
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Department of Finance and Administration

1. Division of Insurance Administration	\$ 0	\$ 44,400
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2. Accounts	0	45,700
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Total Department of Finance and Administration	\$0	\$ 90,100
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Department of Education

1. Improving America's Schools Act (IASA)	\$ 0	\$ 250,000
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2. Improving School Programs	250,000	250,000
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3. School Nutrition Programs	0	7,289,500
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4. Special Education Services	0	5,948,500
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5. Vocational Education Programs	0	219,200
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Total Department of Education	\$ 250,000	\$13,957,200
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Department of Commerce and Insurance

1. Consumer Affairs	\$ 10,000	\$ 10,000
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Department of Mental Health and Mental Retardation

1. Mental Health Services Administration	\$ 0	\$ 61,700
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2. Community Mental Health Services	0	1,432,200
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3. Middle Tennessee Mental Health Institute	0	1,200,000
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Total Dept. of Mental Health and Mental Retardation	\$0	\$2,693,900
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Department of Finance and Administration – Mental Retardation

1. Developmental Disabilities Council	\$0	\$100,000
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Department of Health

1. Manpower and Facilities	\$262,500	\$350,000
2. Communicable and Environmental Disease Services	\$1,003,000	3,967,600
3. Population Based Services	484,400	767,600
4. Women, Infants, and Children (WIC)	0	5,105,000
Total Department of Health	\$1,749,900	10,190,200

Tennessee Bureau of Investigation

1. Tennessee Bureau of Investigation	\$800,000	\$800,000
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Department of Safety

1. Highway Patrol	\$0	\$952,400
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Department of Children's Services

1. Custody Services	\$0	\$845,000
2. Adoption Services	\$0	428,000
Total Department of Children's Services	\$0	\$1,273,000

TOTAL	2,968,800	,631,800
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The Commissioner of Finance and Administration is authorized to establish 32 full-time positions and to allocate them to the appropriate organizational units, including 3 positions for the Commission on Children and Youth. The Commissioner is further authorized to establish additional positions as required to administer the child care program. At June 30, 2000, any unexpended balances of departmental revenues and federal aid funds appropriated in this section are hereby reappropriated in the fiscal year beginning July 1, 2000.

AND FURTHER AMEND by adding to Section 41 of the printed bill the following new items:

Item _____. In addition to the capital outlay projects identified on pages A-103 and A-104 of the 2000-2001 Budget Document, an additional project for the Military Department, to construct a barracks building at Fort Campbell, Montgomery County, in the amount of \$700,000 from federal funds hereby is acknowledged. The purpose of this project is to house National Guard personnel during training.

Item _____. The Commissioner of Finance and Administration is hereby authorized to establish positions and make appropriate adjustments to the Insurance Administration budget to reflect changes in the contractual arrangements for medical and other insurance coverage provided to state insurance plan participants. The establishment of additional positions and the allotment of additional departmental revenue are subject to approval by the State Insurance Committee.

Item _____. In addition to the appropriations made in Section 4 of this act, there is hereby appropriated to the Department of Environment and Conservation a sum sufficient from revenues produced by Senate Bill 3095 / House Bill 3023 to implement the bill. This appropriation is subject to such bill becoming law.

Item _____. The appropriation of \$5,000 made in Section 12, Item 1005 of the 1998 Appropriations Act to be used for ballfield lighting by the Jonesborough Little League is hereby reappropriated to the Jonesborough Little League for ballfield improvements and/or general use by the Jonesborough Little League.

Item _____. The Commissioner of Finance and Administration is authorized to establish the Division of Accounts as an internal service fund agency and to allocate the appropriation made in Section 1, Title III-2, Item 3.4 to the user agencies and to adjust the appropriation made in Section 4, Title III-2, Item 2.4 to recognize the additional interdepartmental revenue received from the user agencies. There is further appropriated sums sufficient from dedicated and earmarked revenues to provide for the comparable allocation of appropriations to those agencies and programs funded by dedicated and earmarked revenues.

In addition to the appropriations made in Section 4 of this act, there is hereby appropriated to the organizational units and programs of state government all federal aid funds and departmental revenue earnings associated with the allocation and transfer of appropriations authorized under the preceding paragraph in this item.

Item _____. The Commissioner of Finance and Administration is authorized to establish 25 full-time positions and 200 part-time positions in the Department of Agriculture, Division of Forestry, and to adjust the allotments between personal services and benefits and other operating expenditures in the fiscal year beginning July 1, 2000.

Item _____. In addition to the funds appropriated in Sections 1 and 4 of the Public Acts of 1999, Chapter 539, and of this act, there is hereby appropriated to the Tennessee Bureau of Investigation a sum sufficient from the dedicated revenues and departmental revenues collected pursuant to Tennessee Code Annotated, Section 40-32-101(d), for the purpose of establishing and maintaining the expunged criminal offender and pretrial diversion database.

Item _____. From the appropriations to the Department of Mental Health and Mental Retardation, Mental Health Reform, in Section 1, Title III-14, Item 2.9, of this act, the amount of \$1,054,400 is earmarked for the purpose of implementing Senate Bill No. 3076 / House Bill No. 3004, if such bill becomes law. From such appropriation, the amount of \$260,000 is appropriated for the purpose of providing community-based services pursuant to Title 33, Chapter 5, Part 5, if such bill becomes law. The Commissioner of Finance and Administration is authorized to adjust federal and other departmental revenues and to establish seven (7) full-time and three (3) part-time positions, if such bill becomes law. The Commissioner of Finance and Administration is further authorized to transfer funds and positions, as required, between Mental Health Services and Mental Retardation Services, if such bill becomes law.

Item _____. In addition to the funds appropriated in Section 4, Title III-17 to the Department of Human Services, there is hereby appropriated the sum of \$2,000,000 from federal TANF funds to implement Senate Bill No. 2650 / House Bill No. 2400 regarding a financial assistance and service program for relative caregivers of children, if such bill becomes law. There is further appropriated to the Department of Children's Services the sum of \$2,000,000 in interdepartmental revenue to be received from the Department of Human Services, TANF funds.

AND FURTHER AMEND by adding to Section 48 of the printed bill the following new items to read:

Item _____. From the TennCare Reserve, there is earmarked a sum sufficient to provide the state match for an increase in the Long Term Care Global Budgets for the fiscal years 1997-98 and 1998-99. The state match and the corresponding federal funds are hereby appropriated in the fiscal year ending June 30, 2000, to allow reimbursement for Level I and Level II services at the rates established for these periods.

Item _____. Subject to the availability of revenue from intergovernmental transfers, there is hereby appropriated to TennCare a sum sufficient in each of the fiscal years ending June 30, 2000, and June 30, 2001, for Nursing Facility Disproportionate Share Payments, incentive payments to local governments, an increase in payments to Level I and Level II facilities to the 65th percentile, and to the TennCare Reserve. It is the intent that the Long Term Care Global Budgets for fiscal year 1999-2000 and fiscal year 2000-2001 be increased for such payments. In the event that intergovernmental transfers revenue is not available, there is appropriated a sum sufficient to TennCare to provide an increase in payments to Level I and Level II nursing home facilities to the 65th percentile in the fiscal year ending June 30, 2001.

Item _____. From the TennCare Reserve, there is earmarked a sum sufficient to be transferred to the Department of Finance and Administration, Division of Mental Retardation, for the sole purpose of funding a grant contract with Community Services Network of West Tennessee, Inc., to provide certain community services.

Item _____. The Commissioner of Finance and Administration is hereby authorized to expend or lend from the funds appropriated such sums as the Commissioner deems appropriate to assist TennCare HMO(s) in their operations and obtain services from contractors, consultants, and other third parties to give such assistance, such being determined by the General Assembly to be for a public purpose. The commissioner shall provide prompt notification to the Speakers of the Senate and House of Representatives and to the chairs of the Finance, Ways and Means Committees regarding any such expenditure or loan with complete details of the amounts and recipients involved in such transactions.

AND FURTHER AMEND by adding the following new section at the end of the printed bill:

SECTION _____. In addition to the appropriation made in Section 4, Title III-17, Item 2.1 to the Department of Human Services for Child Support, there is hereby appropriated the additional sum of \$155,000,000.00 to recognize child support payments processed by the department because of the implementation of centralized collections of child support payments.

AND FURTHER AMEND by adding a new section to read:

SECTION _____. The provisions of this section shall take effect upon becoming a law, the public welfare requiring it:

Item 1. In addition to the appropriations made in Section 1, Title III-25 of this act, there is appropriated the sum of \$8,500,000 to the TennCare Program.

Item 2. In addition to the appropriation made in Section 1, Title III-22 of this act there is appropriated the sum of \$2,463,000 to the Department of Children's Services to fully fund the second year of the Child Welfare League report recommendations. There is further appropriated the sum of \$910,800 to TennCare to provide the state match for TennCare's share of the cost to fund the recommendations.

Item 3. In addition to the appropriations made in Section 1, Title III-22 of this act, there is appropriated the sum of \$99,000 to the Department of Children's Services to fund the Children's Program Outcome Review Team (C-PORT) in the Commission on Children and Youth.

Item 4. In addition to the appropriations made in Section 1, Title III-17 of this act, there is appropriated the sum of \$3,673,300 to the Department of Human Services to fund the Child Support Enforcement Program in Shelby and Hamilton Counties.

Item 5. In addition to the appropriations made in Section 1, Title III-17 of this act, there is appropriated the sum of \$82,200 to the Department of Human Services to fund positions for three attorneys and two legal assistants.

Item 6. In addition to the appropriations made in Section 1, Title II of the 1999 Appropriations Act and in Section 1, Title II of this act, there is hereby appropriated the sum of \$3,300,000 in the fiscal year ending June 30, 2000 and the sum of \$3,300,000 in the fiscal year ending June 30, 2001 to fund the Indigent Defendants' Counsel Program.

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Item 7. There is hereby appropriated to the Department of Finance and Administration the sum of \$100,000 in the fiscal year ending June 30, 2000 and the sum of \$100,000 in the fiscal year ending June 30, 2001 for the purpose of funding the Forensic Center at the James H. Quillen College of Medicine.

Item 8. There is hereby appropriated to the Department of Commerce and Insurance the sum of \$400,000 to fund the cost of telephones and the PBX system for the new Fire Service and Codes Enforcement Academy. There is further appropriated the sum of \$70,000 to the Department of Environment and Conservation to fund similar telephone costs for the Environmental Assistance Center.

Item 9. In addition to any other funds appropriated by the provisions of this act there is appropriated a sum sufficient to the Department of Finance and Administration for distribution to the appropriate entities for the sole purpose of implementing the provisions of HB 1130 – SB 1614; HB 2365 – SB 3172; HB 3016 – SB 3089; HB 3018 – SB 3091; and HB 3035 – SB 3107, if such bills become law. It is the legislative intent that if funding is earmarked for such implementation in such bills that the funds appropriated in this item be reduced accordingly.

by deleting Item 4 of Section 10 of the original bill in its entirety and by substituting instead the following:

Item 4. From the funds appropriated to the TennCare Program, the state shall comply with applicable federal law.

by adding the following new items at the end of Section 10:

Item _____. The appropriation made to the Department of Environment and Conservation by the provisions of this act is reduced by the sum of \$2,500,000. Such funding reduction is for the purpose of reducing state funding of state resort parks. It is the legislative intent that such parks become self-sufficient by fiscal year 2002-03.

Item _____. From the funds appropriated to the Department of Environment and Conservation by the provisions of this act, a sum sufficient is earmarked to keep open all state parks that were open on January 1, 1999, and proposed to be closed or operated at a reduced level of services or access, at the level of operation of such parks in effect on July 1, 1999.

by deleting Section 54 of the original bill in its entirety.

AND FURTHER AMEND by deleting Section 55 of the original bill in its entirety.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to Austin Peay State University by the provisions of this act is reduced by the sum of \$826,500. Such funding reduction is for the purpose of recovering over-appropriations to Austin Peay State University in fiscal years 1998-99 and 1999-2000. It is the legislative intent that funds currently in the Austin Peay State University reserve fund in the amount of \$300,000 be transferred to the Austin Peay State University operating fund and that the amount of \$526,500 be transferred from the Board of Regents reserve fund to the Austin Peay State University operating fund to cover any shortfall in revenue resulting from this reduction.

by adding the following new item at the end of Section 10:

Item _____. The appropriation made to Tennessee State University by the provisions of this act is reduced by the sum of \$1,658,300. Such funding reduction is for the purpose of recovering over-appropriations to Tennessee State University in fiscal years 1998-99 and 1999-2000. It is the legislative intent that funds currently held in reserve by Tennessee State University be transferred to the Tennessee State University operating fund to cover any shortfall in revenue resulting from this reduction.

by adding the following new item at the end of Section 12:

Item _____. In addition to any other funds appropriated by the provisions of this act, there is appropriated the sum of \$85,000 to the Department of Military for the sole purpose of funding health care services pursuant to the Mediguard Program.

by adding the following new item at the end of Section 10:

Item _____. Beginning on or before September 1, 2000, the Commissioner of Finance and Administration and the TennCare Bureau shall provide monthly reports to the Fiscal Review Committee regarding the expenditure of all base and improvement funds made available by the provisions of this act for the TennCare program. Such reports shall include, but not be limited to, a detailed accounting of the timeliness and amounts of the following types of payments: (1) enhanced payments to providers; (2) essential provider payments; (3) third-party contractor payments; and (4) any expenditures or loans made by the Commissioner of Finance and Administration to or for the benefit of any TennCare MCO to assist in its operations or obtain services from contractors, consultants, and any other third party. Such reports shall also include any other information requested by the chair of the fiscal review committee.

No incentives shall be given to MCOs to join or remain in the TennCare Program until fifteen (15) days written notice detailing the proposed incentives have been provided to the Fiscal Review Committee.

by adding the following new item at the end of Section 41:

Item _____. From funds in the TennCare Reserve Fund, there is appropriated the sum of \$90,000,000 for the purpose of making essential provider payments. The payments to be funded are: a) essential access hospitals \$78,000,000; b) pediatric primary care pool \$5,000,000; c) community health centers \$2,000,000; and d) specialty outpatient providers \$5,000,000. The Comptroller of the Treasury and the Commissioner of Finance and Administration shall develop a payment methodology and recommend the appropriate distribution of funds. They may engage an independent third party recommended by the TennCare Steering Committee to assist them in this activity. It is the legislative intent to distribute the funds no later than sixty days after the funds are appropriated.

The Commissioner of Finance, subject to the concurrence of the Comptroller of the Treasury, shall develop a payment methodology for the distribution of funds. This methodology shall consider essential access hospitals as (1) hospitals with relatively low profitability and relatively high levels of government pay, bad debt, and charity care; (2) hospitals that provide several regionally unique, essential clinical services with relatively high levels of bad debt and charity care; and (3) hospitals that provide a disproportionately large share of TennCare services. It is the legislative intent that no less than \$10 million of funds distributed to essential access hospitals be based on the relative share of TennCare services provided by the hospitals that provide a disproportionately large share of TennCare services. The Comptroller of the Treasury and the Commissioner of Finance and Administration may engage an independent third party recommended by the TennCare Steering Committee to assist them in this activity. It is the legislative intent that to the extent possible, within the constraints of approvals required by the federal government, to distribute the funds no later than sixty days after the funds are appropriated.

To the extent that federal matching funds are available for all or a portion of the funds appropriated by this item, and after the distribution of a minimum of \$90 million as set forth above, an amount not to exceed \$20,000,000 of the appropriation made hereby may be used for the purpose of satisfying outstanding claims of TennCare providers for outstanding receivables from Xantus Healthcare for actual services rendered to TennCare recipients prior to March 31, 1999. The Commissioner of Finance and Administration, subject to the concurrence of the Comptroller of the Treasury, may develop a payment methodology for such payments. Any such payments shall be made only after the TennCare Bureau establishes that such payments are in accordance with the appropriate terms and conditions of contracts between such providers and the Xantus Healthcare Corporation at the time the services were rendered.

by adding the following new item at the end of Section 10:

Item _____. MCOs participating in the TennCare program shall be required to pay out a minimum of 85% of their capitation payments to TennCare providers. This requirement shall be monitored on a monthly basis by the TennCare Bureau through mandatory reporting by the MCOs regarding: claims payments, capitation payments and provider services by major expenditure category – hospitals, physicians, pharmacy, other. The TennCare Bureau shall forward each report received pursuant to this item to the Fiscal Review Committee within seven (7) days of receiving each report.

by adding the following new item at the end of Section 10:

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Item _____. It is the legislative intent to recognize the draw down of federal TANF-Medicaid outreach funds in the amount of \$9,200,000. Such funds shall be used for federally authorized outreach programs for recipients under TennCare or Families First.

by adding the following new item at the end of Section 10:

Item _____. It is the legislative intent that the funds allocated to the general fund from the litigation tax in Section 67-4-606, if House Bill No. 3364 / Senate Bill No. 3351 becomes law, be applied to fund the improvements provided in this act to the Department of Safety. This item does not constitute an appropriation of additional funds.

by adding the following new item at the end of Section 12:

In addition to any other funds appropriated by the provisions of this act, there is appropriated to the Bureau of TennCare Services the sum of \$60,000,000 to achieve actuarial funding of the TennCare program.

by adding the following new item at the end of Section 10:

Item _____. The Administrative Office of the Courts shall study the issue of state payment of costs and fees incurred in the prosecution of indigents. Such study shall include payment of duplicative expenses for indigents, appropriateness of state payments on the behalf of indigents, and recommend the appropriate level of state payments to local governments and court clerks. Such report shall be filed with the Fiscal Review Committee no later than September 30, 2000. The Fiscal Review Committee shall examine the report made by the Administrative Office of the Courts and make its recommendations on the issue of state payment of costs and fees incurred in the prosecution of indigents to the General Assembly no later than January 31, 2001.

by deleting Items 2 and 3 of the original Section 52 in their entirety.

by deleting Item 1 of the original Section 7 in its entirety and by substituting instead the following:

Item 1. It is the legislative intent that annual dues assessed by the Council of State Governments (CSG) and the National Conference of State Legislatures (NCSL) be paid quarterly and timely from the funds appropriated in Section 1, Title III-2, Item 1.2 (Intergovernmental Conferences and Special Operations). CSG dues for 2000-2001 shall be remitted in four (4) equal payments \$26,794.25 (\$107,177 annualized), and NCSL dues shall be remitted in four (4) equal payments \$31,088.75 (\$124,355 annualized).

by deleting Section 49 in its entirety and by appropriately renumbering the subsequent sections accordingly.

/s/	Senator Micheal Williams	Representative Matthew Kisber
	Senator Ron Ramsey	Representative Jere Hargrove
	Senator Bill Clabough	Representative Shelby Rhinehart
	Senator Joe Haynes	Representative Lois DeBerry
	Senator Jim Kyle	Representative Joe Kent
	Senator Ward Crutchfield	Representative Ralph Cole

Senator David Fowler

Representative Zane Whitson
Representative Randy Rinks
Representative Ronnie Cole
Representative Tim Garrett

Rep. Kisber moved that the Minority Report of the Conference Committee on House Bill No. 2790 be adopted and made the action of the House.

Rep. Patton moved the previous question on the Minority Report of the Conference Committee, which motion prevailed.

Rep. Kisber moved that the Minority Report of the Conference Committee on **House Bill No. 2790** be adopted and made the action of the House, which motion prevailed by the following vote:

Ayes.....	84
Noes	8

Representatives voting aye were: Arriola, Baird, Beavers, Bittle, Bone, Bowers, Boyer, Briley, Buck, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hassell, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kerr, Kisber, Langster, Lewis, Maddox, McCord, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Patton, Phelan, Phillips, Pinion, Pleasant, Rhinehart, Ridgeway, Rinks, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Turner (Hamilton), Turner (Shelby), Walker, Walley, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 84.

Representatives voting no were: Armstrong, Brooks, Brown, Eckles, Head, McDaniel, Towns, West -- 8.

A motion to reconsider was tabled.

REMARKS

Rep. Maddox requested that the following remarks be spread upon the Journal:

In agreement with the gentleman from Putman county's remarks, let it be clear that the intent of the General Assembly is too keep open all state and natural areas that were open on January 1, 1999 to the level of operations in effect on July 1, 1998.

Thank you Mr. Speaker, for allowing these remarks to be spread upon the journal.

HOUSE ACTION ON SENATE MESSAGE

***House Bill No. 2791** -- Bond Issues - Authorizes \$297,400,000 bond issue to fund state projects. by *McDaniel, *Kisber. (SB2976 by *Henry, *McNally, *Atchley)

CONFERENCE COMMITTEE REPORT
ON HOUSE BILL NO. 2791

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 2791 (Senate Bill No. 2796) has met and recommends that that all amendments be deleted.

The committee further recommends that the amount "two hundred ninety-seven million, four hundred thousand dollars (\$297,400,000)" in Section 1 of the printed bill be deleted and the amount "two hundred four million, three hundred ninety thousand dollars (\$204,390,000)" be substituted.

The committee further recommends that the amount "One hundred ninety million, three hundred thousand (\$190,300,000)" be deleted from Section 4(1) of the printed bill and the amount "Ninety-seven million, two hundred ninety thousand dollars (\$97,290,000)" be substituted.

Senator Micheal Williams	Representative Matthew Kisber
Senator Ron Ramsey	Representative Jere Hargrove
Senator Bill Clabough	Representative Shelby Rhinehart
Senator Joe Haynes	Representative Lois DeBerry
Senator Jim Kyle	Representative Joe Kent
Senator Ward Crutchfield	Representative Ralph Cole
Senator David Fowler	Representative Zane Whitson
	Representative Randy Rinks
	Representative Ronnie Cole
	Representative Tim Garrett

Rep. Kisber moved that the Report of the Conference Committee on **House Bill No. 2791** be adopted and made the action of the House, which motion prevailed by the following vote:

Ayes..... 92
Noes 0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kerr, Kisber, Langster, Lewis, Maddox, McCord, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Patton, Phelan, Phillips, Pinion, Pleasant, Rhinehart, Ridgeway, Rinks, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 92.

THURSDAY, JUNE 22, 2000 — NINETY-SEVENTH LEGISLATIVE DAY

A motion to reconsider was tabled.

RECESS MOTION

Rep. Hargrove moved that the House stand in recess until 2:30 p.m., which motion prevailed.

**ENGROSSED BILLS
June 22, 2000**

The following bill(s) have been examined, engrossed, and are ready for transmission to the Senate: House Joint Resolution(s) No(s). 875, 876 and 877.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

**ENGROSSED BILLS
June 22, 2000**

The following bill(s) have been examined, engrossed, and are ready for transmission to the Senate: House Joint Resolution(s) No(s). 878, 879 and 881.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

**MESSAGE FROM THE SENATE
June 22, 2000**

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution(s) No(s). 968, 969 and 970; all adopted for concurrence.

RUSSELL HUMPHREY, Acting Chief Clerk.

Senate Joint Resolution No. 968 -- Memorials, Death - William G. Craven. by *Davis L.

Senate Joint Resolution No. 969 -- Memorials, Public Service - Lloyd Bryant, Paul Harris Fellow. by *Davis L.

Senate Joint Resolution No. 970 -- Memorials, Congratulations - Shayeka Juanae' Mitchell, Miss Trezevant 2000. by *Kyle.

**MESSAGE FROM THE SENATE
June 22, 2000**

MR. SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 868, 871, 875, 876, 877, 878, 879 and 881; all concurred in by the Senate.

RUSSELL HUMPHREY, Acting Chief Clerk.

MESSAGE FROM THE SENATE

June 22, 2000

MR. SPEAKER: I am directed to return to the House, Senate Bill(s) No(s). 3082.

The Senate nonconcurred in House Amendment(s) No(s). 2.

RUSSELL HUMPHREY, Acting Chief Clerk.

MESSAGE FROM THE SENATE

June 22, 2000

MR. SPEAKER: I am directed to return to the House, House Bill(s) No(s). 2793; substituted for Senate Bill(s) on the same subject(s), amended and passed by the Senate.

RUSSELL HUMPHREY, Acting Chief Clerk.

RESOLUTIONS

Pursuant to **Rule No. 17**, the following resolution(s) was/were introduced and placed on the Supplemental Consent Calendar No. 2 for June 22, 2000:

House Resolution No. 296 -- Memorials, Personal Occasion - George and Mary Keith, 50th Wedding Anniversary. by *Maddox.

**SENATE JOINT RESOLUTIONS
(Congratulatory and Memorializing)**

Pursuant to **Rule No. 17**, the resolution(s) listed was/were noted as being placed on the Supplemental Consent Calendar No. 2 for June 22, 2000:

Senate Joint Resolution No. 968 -- Memorials, Death - William G. Craven. by *Davis L.

Senate Joint Resolution No. 969 -- Memorials, Public Service - Lloyd Bryant, Paul Harris Fellow. by *Davis L.

Senate Joint Resolution No. 970 -- Memorials, Congratulations - Shayeka Juanae' Mitchell, Miss Trezevant 2000. by *Kyle.

RECESS EXPIRED

The recess having expired, the House was called to order by Mr. Speaker Naifeh.

ROLL CALL DISPENSED WITH

On motion of Rep. Hargrove, the roll call was dispensed with.

HOUSE ACTION ON SENATE MESSAGE

House Bill No. 2885 -- Taxes, Privilege - Redirects certain real estate transfer tax revenue to state parks system rather than local parks land acquisition fund and state lands acquisition fund. Amends TCA Section 67-4-409. by *Rinks, *Ridgeway, *Gunnels, *McMillan, *Baird. (*SB3003 by *Cooper, *Burchett, *Burks, *Davis L, *Graves, *Kyle, *Kurita, *McNally, *Williams)

CONFERENCE COMMITTEE REPORT
ON HOUSE BILL NO. 2885

The House and Senate Conference Committee appointed pursuant to motions to resolve the differences between the two houses on House Bill No. 2885 (Senate Bill No. 3003) has met and recommends that the following amendments be deleted:

Senate Amendment No. 1, as amended, (i.e., SA1437 & SA1522).

The Committee further recommends that the following amendment be adopted:

House Amendment No. 2, (i.e., HA1406).

Senator Ron Ramsey
Senator Charlotte Burks
Senator Jerry Cooper
Senator JoAnn Graves
Senator Rosalind Kurita

Representative Randy Rinks
Representative Mark Maddox
Representative Bill McAfee
Representative Don Ridgeway
Representative Raymond Walker

Rep. Rinks moved that the Report of the Conference Committee on **House Bill No. 2885** be adopted and made the action of the House, which motion prevailed by the following vote:

Ayes.....	80
Noes	5
Present and not voting	2

Representatives voting aye were: Arriola, Baird, Beavers, Bittle, Bone, Bowers, Boyer, Briley, Brooks, Buck, Bunch, Buttry, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Cocke), DeBerry L., Dunn, Eckles, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Kent, Kisber, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Patton, Phelan, Phillips, Pinion, Pleasant, Rhinehart, Ridgeway, Rinks, Roach, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Todd, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 80.

Representatives voting no were: Caldwell, Cooper, Ferguson, Kernell, Towns -- 5.

Representatives present and not voting were: Chumney, Davis (Washington) -- 2.

A motion to reconsider was tabled.

MOTION TO RECONSIDER

Rep. Kisber moved to lift from the table the motion to reconsider action in passing Senate Bill No. 3082, which motion prevailed.

Senate Bill No. 3082 -- Taxes - Makes various changes to excise, franchise tax provisions Amends TCA Titles 12 and 67. by *McNally, *Crowe, *Rochelle, *Fowler. (*HB3010 by *Kisber, *Hood, *Eckles, *Fraleay)

Rep. Kisber moved to reconsider action in passing Senate Bill No. 3082, which motion prevailed.

On motion, the House reconsidered its action in adopting Amendment(s) No(s). 2. On motion, Amendment(s) No(s). 2 was withdrawn.

Rep. Kisber moved that Senate Bill No. 3082 be passed on third and final consideration.

Rep. Kisber moved adoption of Amendment No. 3 as follows:

Amendment No. 3

AMEND Senate Bill No. 3082 by inserting the following new sections immediately before the effective date section and by renumbering the effective date section accordingly:

SECTION _____. Tennessee Code Annotated, Section 67-4-2109(c)(2), is amended by adding the following new subitem:

(G) If the business enterprise involves a required capital investment of in excess of one billion dollars (\$1,000,000,000) to be invested over a period not to exceed three (3) years from the date of filing of the first business plan relating to the business enterprise, and creates not less than one thousand (1000) full-time employee jobs with "full progression" or "top out" wages equal to or greater than one hundred fifty percent (150%) of Tennessee's average industrial wage for all manufacturing sectors as reported in the Monthly Labor Report published by the Tennessee Department of Labor and Workforce Development for the month of January of the year in which said full-time employee jobs are created, the credit allowed in subdivision (c)(2)(A) shall be five thousand dollars (\$5,000) for each net new full-time job created. For purposes of this subsection, the terms "full progression wage" and "top out wage" are synonymous and mean the wage that an employer assigns to a given job, to be obtained after a worker has completed all required training and experience in that job over an initial period not to exceed three (3) years.

For purposes of this subsection, the full-time employee jobs are deemed created when first filled by employees, not when said employees attain "full progression" or "top out" wage status. In addition to the tax credits allowed to the taxpayer under this subsection for the first tax year, all or a portion of the tax credits allowable under this subsection may also apply on an annual basis to offset taxpayer's franchise tax and excise tax liability under Title 67, Chapter 4 of the Tennessee Code Annotated for each tax year after the first tax year up to a total period not to exceed twenty (20) years, in which the full-time employee jobs created by the required capital investment for which credits were originally issued remain filled by employees at wages equal to or greater than 150% of Tennessee's average industrial wage for all manufacturing sectors as reported in the Monthly Labor Report published by the Tennessee Department of Employment Security for the month of January of the tax year for which the credit is being taken, provided that the Commissioner of Economic and Community Development, with the written concurrence of the Comptroller, shall have determined that the location and nature of the capital investment is economically desirable and in the best interests of the citizens of this State, and shall have executed a writing specifying, for a given business enterprise, the maximum period for which the additional tax credits granted pursuant to this subsection will be allowed and the amount or percentage of additional tax credits that will be allowed from year to year after the first tax year during the specified maximum period. For purposes of this subsection, a required capital investment shall be deemed to have been made as of the date of payment or the date the business enterprise enters into a legally binding commitment or contract for purchase or construction. The three (3) year period for making the required capital investment and the three (3) year period after completion by a worker of initial training or probationary period provided for herein may be extended by the Commissioner of Economic and community Development for a reasonable period, not to exceed one (1) year, for good cause shown.

SECTION __. Tennessee Code Annotated, Section 67-4-2109(c)(2), is amended by adding the following new subitem:

(H) If the business enterprise involves a required capital investment of in excess of five hundred million dollars (\$500,000,000), to be invested over a period not to exceed three (3) years from the filing of the first business plan relating to the business enterprise, and creates not less than one thousand (1000) full-time employee jobs with "full progression" or "top out" wages equal to or greater than one hundred fifty percent (150%) of Tennessee's average industrial wage for all manufacturing sectors as reported in the Monthly Labor Report published by the Tennessee Department of Employment Security for the month of January of the year in which said full-time employee jobs are created, the credit allowed in subdivision (c)(2)(A) shall be five thousand dollars (\$5,000) for each net new full-time job created. For purposes of this subsection, the terms "full progression wage" and "top out wage" are synonymous and mean the wage that an employer assigns to a given job, to be obtained after a worker has completed all required training and experience in that job over an initial period not to exceed three (3) years.

For purposes of this subsection, the full-time employee jobs are deemed created when first filled by employees, not when said employees attain "full progression" or "top out" wage status. For purposes of this subsection, a required capital investment shall be deemed to have been made as of the date of payment or the date the business enterprise enters into a legally binding commitment or contract for purchase or construction. The three (3) year period for making the required capital investment and the three (3) year period after completion by a worker of initial training or probationary period provided for herein may be extended by the Commissioner of Economic and community Development for a reasonable period, not to exceed one (1) year, for good cause shown.

SECTION ____ Tennessee Code Annotated, Section 67-4-2108, is amended as follows:

(1) Subsection 67-4-2108(a)(1) is amended by adding the words "and exempt required capital investments" after the words "excluding exempt inventory".

(2) Subsection 67-4-2108(a)(6) is amended by adding the following subitem:

() "Exempt required capital investments" means two-thirds in value of all capital investments which are the basis for a taxpayer's entitlement to credits under § 67-4-2109(c)(2)(G) and § 67-4-2109(c)(2)(H).

SECTION ____ Tennessee Code Annotated, Title 67, Chapter 5, is amended by adding the following language as a new section in part 2:

Section ____ (a) Real and personal property used as a nonprofit family wellness center shall be exempt from property taxes as a charitable use of property if the center is owned and operated as provided in this section. "Family wellness center" means real and personal property used to provide physical exercise opportunities for children and adults. The property must be owned by a nonprofit corporation that is a charitable institution which (1) has as its historic sole purpose the provision of programs promoting physical, mental, and spiritual health, on a holistic basis without emphasizing one over another; (2) provides at least five (5) of the eight (8) following programs dedicated to the improvement of conditions in the community and to support for families: day care programs for preschool and school-aged children; team sports opportunities for youth and teens; leadership development for youth, teens, and adults; services for at-risk youth and teens; summer programs for at-risk and non-at-risk youth and teens; outreach and exercise programs for seniors; aquatic programs for all ages and skill levels; and services for disabled children and adults; and (3) provides all programs and services to those of all ages, incomes and abilities under a fee structure which reasonably accommodates persons of limited means and therefore ensures that ability to pay is not a consideration. The corporation must further meet the requirements of subsection (b).

(b) To qualify for exemption, the nonprofit corporation must first be exempt from federal income taxation as an exempt charitable organization under the provisions of Section 501(c)(3) of the Internal Revenue Code (U.S.C., title 26) and any amendments thereto. In addition, the nonprofit corporation shall provide that:

(1) The directors and officers shall serve without compensation beyond reasonable compensation for services performed;

(2) The corporation is dedicated to and operated exclusively for nonprofit purposes;

(3) No part of the income or the assets of the corporation shall be distributed to inure to the benefit of any individual;

(4) Upon liquidation or dissolution, all assets remaining after payment of the corporation's debts shall be conveyed or distributed only in accordance with the requirements applicable to a 501(c)(3) corporation.

(c) All claims for exemptions under this section are subject to the provisions of Tennessee Code Annotated, Section 67-5-212(b).

(d) Nothing in this section shall prevent property of the corporation other than wellness centers from qualifying under other provisions of law.

(e) Notwithstanding any provision of this act to the contrary, the provisions of this section shall take effect upon becoming a law, the public welfare requiring it, and shall apply to all matters pending before the board of equalization on the effective date of this act.

SECTION __. Tennessee Code Annotated, Section 67-4-2008, is amended by adding the following as a new subdivision:

(8)(A) Any family-owned non-corporate entity where substantially all the activity of the entity is the production of passive investment income.

(B) For purposes of this subdivision (8):

(i) "Family-owned" means that ninety-five percent (95%) of the ownership units of the entity are owned by members of the family, which means, with respect to an individual, only:

(a) an ancestor of such individual;

(b) the spouse or former spouse of such individual;

(c) a lineal descendent of such individual, of such individual's spouse or former spouse, or of a parent of such individual;

(d) the spouse or former spouse of any lineal descendent described in subdivision (c); or

(e) the estate or trust of a deceased individual who, while living, was as described in any of the above subdivisions.

For purposes of this subdivision (8), a legally adopted child of an individual shall be treated as the child of such individual by blood.

(ii) "Passive investment income" means gross receipts derived from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities to the extent of any gains therefrom.

On motion, Amendment No. 3 was adopted.

Rep. Kisber moved that **Senate Bill No. 3082**, as amended, be passed on third and final consideration, which motion prevailed by the following vote:

Ayes	88
Noes	0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Bone, Bowers, Boyer, Briley, Brown, Buck, Bunch, Buttry, Caldwell, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Kent, Kemell, Kisber, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Patton, Phelan, Phillips, Pinion, Pleasant, Rhinehart, Ridgeway, Rinks, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 88.

A motion to reconsider was tabled.

HOUSE ACTION ON SENATE AMENDMENTS

***House Bill No. 2793** -- Appropriations - Specifies that index of appropriations from state tax revenues for 1999-2000 fiscal year may exceed index of estimated growth in state's economy by \$1 million or 0.01 percent. Amends TCA Title 9, Chapter 4, Part 52. by *McDaniel, *Kisber. (SB2989 by *Henry, *McNally, *Atchley)

Senate Amendment No. 3

AMEND House Bill No. 2793 by deleting the language "one million dollars (\$1,000,000) or 0.01 percent" and by substituting instead the language "eighty-one million dollars (\$81,000,000) or 1.00 percent".

Rep. Kisber moved that the House concur in Senate Amendment(s) No(s). 3 to **House Bill No. 2793**, which motion prevailed by the following vote:

Ayes..... 87
Noes 0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Bone, Bowers, Boyer, Briley, Brown, Buck, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Kent, Kernell, Kisber, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Patton, Phelan, Phillips, Pinion, Rhinehart, Ridgeway, Rinks, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 87.

A motion to reconsider was tabled.

SUPPLEMENTAL CONSENT CALENDAR NO. 2

House Resolution No. 296 -- Memorials, Personal Occasion - George and Mary Keith, 50th Wedding Anniversary. by *Maddox.

Senate Joint Resolution No. 968 -- Memorials, Death - William G. Craven. by *Davis L.

Senate Joint Resolution No. 969 -- Memorials, Public Service - Lloyd Bryant, Paul Harris Fellow. by *Davis L.

Senate Joint Resolution No. 970 -- Memorials, Congratulations - Shayeka Juanae' Mitchell, Miss Trezevant 2000. by *Kyle.

Pursuant to **Rule No. 50**, Rep. Miller moved that all House Bills having companion Senate Bills and are on the Clerk's desk be conformed and substituted for the appropriate House Bill, all Senate and House Bills on the Supplemental Consent Calendar No. 2 be passed on third and final consideration, all House Resolutions and House Joint Resolutions be adopted, and all Senate Joint Resolutions on the Supplemental Consent Calendar No. 2 be concurred in, which motion prevailed by the following vote:

Ayes 90
Noes 0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Kent, Kernell, Kisber, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Patton, Phelan, Phillips, Pinion, Pleasant, Rhinehart, Ridgeway, Rinks, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 90.

A motion to reconsider was tabled.

RULES SUSPENDED

Rep. Hargrove moved that the rules be suspended for the purpose of introducing House Joint Resolution No. 882 out of order, which motion prevailed.

House Joint Resolution No. 882 -- General Assembly, Recess & Reconvene - Recesses General Assembly from Thursday, June 22, 2000 to Tuesday, June 27, 2000. by *Hargrove, *McDaniel.

On motion, the rules were suspended for the immediate consideration of the resolution.

On motion of Rep. Hargrove, the resolution was adopted.

A motion to reconsider was tabled.

BILL RE-REFERRED

Without objection, Rep. Armstrong requested that House Bill No. 1736 be re-referred from the Committee on Calendar and Rules to the Budget Subcommittee.

RULES SUSPENDED

Rep. Hargrove moved that the **Rule No. 78** be suspended to eliminate the 24-hour notice for overriding the Governor's veto, which motion prevailed.

ENGROSSED BILLS

June 22, 2000

The following bill(s) have been examined, engrossed, and are ready for transmission to the Senate: House Joint Resolution(s) No(s). 882.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

MESSAGE FROM THE SENATE

June 22, 2000

MR. SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 882; all concurred in by the Senate.

RUSSELL HUMPHREY, Acting Chief Clerk.

MESSAGE FROM THE SENATE

June 22, 2000

MR. SPEAKER: I am directed to return to the House, House Bill(s) No(s). 3364.

The Senate adopted the Conference Committee Report and made it the action of the Senate.

RUSSELL HUMPHREY, Acting Chief Clerk.

MESSAGE FROM THE SENATE

June 22, 2000

MR. SPEAKER: I am directed to return to the House, House Bill(s) No(s). 2790.

The Senate adopted the Conference Committee Report and made it the action of the Senate.

RUSSELL HUMPHREY, Acting Chief Clerk.

MESSAGE FROM THE SENATE

June 22, 2000

MR. SPEAKER: I am directed to return to the House, House Bill(s) No(s). 2791.

The Senate adopted the Conference Committee Report and made it the action of the Senate.

RUSSELL HUMPHREY, Acting Chief Clerk.

MESSAGE FROM THE SENATE

June 22, 2000

MR. SPEAKER: I am directed to return to the House, House Bill(s) No(s). 2885.

The Senate adopted the Conference Committee Report and made it the action of the Senate.

RUSSELL HUMPHREY, Acting Chief Clerk.

MESSAGE FROM THE SENATE

June 22, 2000

MR. SPEAKER: I am directed to return to the House, House Bill(s) No(s). 3096; substituted for Senate Bill(s) on the same subject(s) and passed by the Senate.

RUSSELL HUMPHREY, Acting Chief Clerk.

MESSAGE FROM THE SENATE

June 22, 2000

MR. SPEAKER: I am directed to return to the House, House Bill(s) No(s). 2324; substituted for Senate Bill(s) on the same subject(s) and passed by the Senate.

RUSSELL HUMPHREY, Acting Chief Clerk.

CONSENT CALENDAR

June 22, 2000

The following local bills have been placed on the Consent Calendar for **June 27, 2000**: House Bill(s) No(s). 3368.

ROLL CALL

The roll call was taken with the following results:

Present 92

Representatives present were: Armstrong, Arriola, Baird, Beavers, Bittle, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Hagood, Hargett, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kisber, Langster, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 92.

THURSDAY, JUNE 22, 2000 — NINETY-SEVENTH LEGISLATIVE DAY

RECESS MOTION

On motion of Rep. Hargrove, the House stood in recess until 12:00 p.m., Tuesday, June 27, 2000.